

Report title	Consultation on Reforms to National Planning Policy - Wolverhampton Response	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Stephen Simkins Deputy Leader: Inclusive City Economy	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Richard Lawrence, Director of Regeneration	
Originating service	City Planning	
Accountable employee	Michele Ross	Lead Planning Manager
	Tel	01902 554038
	Email	Michele.ross@wolverhampton.gov.uk
Report has been considered by	Regeneration Leadership Team	30 January 2023

Recommendations for decision:

The Cabinet is recommended to:

1. Approve the response to the Consultation on Reforms to National Planning Policy attached as Appendix 1.
2. Approve the revised Wolverhampton Local Development Scheme attached as Appendix 2.
3. Request a further report on the Wolverhampton Local Plan, following publication of the revised National Planning Policy Framework.
4. Approve the response to the South Warwickshire Local Plan Issues and Options consultation set out in paragraph 5.1 of this report.

1.0 Purpose

- 1.1 To summarise government proposals to reform national planning policy (published on 22 December 2022) and potential implications for the Wolverhampton Local Plan, to approve a Council response to the government consultation and the South Warwickshire Local Plan Issues and Options consultation, and to approve a new Wolverhampton Local Development Scheme.

2.0 Background

- 2.1 The Black Country Core Strategy (BCCS), adopted in 2011, is the key strategic planning and regeneration document covering the Black Country Authorities (BCA) of Dudley, Sandwell, Walsall and Wolverhampton. A review of the BCCS formally began with consultation on an Issues and Options Report in summer 2017. On 17 October 2018, Cabinet received a report summarising key issues raised during the consultation and agreed to widen the scope of the review to include detailed site allocations and change the name of the document to the Black Country Plan (BCP). The BCP would have become the key Local Plan document for Wolverhampton, replacing the out-of-date BCCS and elements of Wolverhampton specific Area Action Plans.
- 2.2 On 7 July 2021, Cabinet approved consultation on the Draft BCP (Regulation 18) during summer 2021. The Draft Plan included proposed site allocations for housing and employment development and attracted a large number of consultation responses. On 6 October 2022, Dudley Council announced that they were withdrawing from the BCP, and on 19 October 2022 Cabinet approved a new Wolverhampton Local Development Scheme (LDS) setting out a timetable for a Wolverhampton Local Plan (WLP) covering the period to 2040. The report explained that the WLP will build on existing evidence, work and consultation undertaken during the BCP preparation process, whilst responding to more up-to-date evidence, national legislation and guidance. This approach was taken because there is an urgent need for Wolverhampton to prepare and adopt a new Local Plan and it will make most effective use of the large amount of work undertaken and resources expended to date.
- 2.3 The WLP timetable set out in the current LDS is:
- | | |
|---|---------------------|
| Issues and Preferred Options Consultation (Reg 18): | Dec 2022 – Feb 2023 |
| Publication Consultation (Regulation 19): | Aug – Sept 2023 |
| Submission (Regulation 20): | End 2023 |
| Examination: | End 2023 – End 2024 |
| Adoption: | Early 2025 |
- 2.4 However, as part of government efforts to progress the Levelling-up and Regeneration Bill (LURB), and in particular the back bench challenge to elements of the Bill, a consultation on reforms to national planning policy was published on 22 December 2022.

The proposed reforms include specific short term changes to the National Planning Policy Framework (NPPF) which are programmed to take effect in spring 2023. If carried forward into the revised version of the NPPF, these specific changes would have significant implications for the strategic approach and timetable for the WLP. In particular, the changes would make it clear that local authorities preparing Local Plans are not required to review and alter Green Belt boundaries even if this is the only way of meeting housing need for their Plan. Therefore, it is important for the Council to respond to the consultation and await the publication of the revised NPPF before finalising and approving the WLP Issues and Preferred Options document for consultation.

3.0 Consultation on Reforms to National Planning Policy and Proposed Council Response

- 3.1 The “LURB: Reforms to national planning policy consultation” (the Consultation) published on 22 December 2022 covers a range of planning topics and consults on both short term and long term changes to national planning policy. As set out above, the key short term changes involve proposed specific wording changes to the National Planning Policy Framework (NPPF). When a local planning authority prepares a Local Plan, this must accord with the requirements and policies in the NPPF. The Consultation also sets out proposals for future consultations and potential changes to the NPPF and other Planning legislation in coming years. Many of these will need to take place before enactment of the LURB in late 2024, to introduce the new Local Plan system.
- 3.2 The consultation closes on 2 March 2023. The Consultation states that the revised NPPF will be published in spring 2023, however this could take longer. There are short transitional arrangements for some of these NPPF changes, but these would only affect Plans at an advanced stage.
- 3.3 The LURB outlines what could be significant reforms to the local plan-making system, however the Bill is not due to be enacted until late 2024. There is a clear expectation that plan-making should continue in the interim and the Consultation proposes that Plans prepared under the current system could be submitted for examination up to June 2025. The Consultation provides indications of the “direction of travel” for these reforms, including the scope of National Development Management Policies.
- 3.4 The Consultation proposals which would have significant implications for Wolverhampton (including for the WLP approach and timetable), and a proposed Council response, are summarised below. The recommended detailed response to the consultation is provided at Appendix 1.

Green Belt Review Not Required to Meet Housing Need

- 3.5 The key Consultation proposal of significance to the WLP is that local authorities preparing Local Plans would not be required to review and alter Green Belt boundaries even if this was the only way of meeting housing need for their Plan. The proposed new NPPF sentence is in bold below:

*“142. Once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of plans. **Green Belt boundaries are not required to be reviewed and altered if this would be the only means of meeting the objectively assessed need for housing over the plan period.**”*

- 3.6 The word ‘required’ is deliberate, important and clearly stated. It is used without qualification, and is a significant change from the current approach whereby Local Plans are effectively mandated to undertake a green belt review if local housing needs cannot be met in other ways. This change in policy, without any qualification, would allow Plan-making authorities to choose whether or not they carry out a green belt review to meet housing needs through their Local Plan.
- 3.7 This proposed change to the NPPF, due to be implemented in spring 2023, would have significant implications for many local authorities, including Wolverhampton. A key element of the Draft Black Country Plan was a comprehensive Green Belt review in response to significant unmet housing need, and consequent proposals to release Green Belt land in Wolverhampton to deliver over 1,000 homes. Wolverhampton is a highly urbanised area with a very limited amount of Green Belt land compared with other towns and cities of equivalent size. If the proposed change to the NPPF set out above is taken forward, the Council could decide whether to carry out a Green Belt review to inform the emerging Wolverhampton Local Plan (WLP), reflecting local priorities and constraints to a greater degree than is possible under current national planning policy.
- 3.8 The change would also affect the approach and programming of neighbouring Local Plans proposing Green Belt release to meet wider housing needs – including the unmet needs of Wolverhampton - particularly South Staffordshire, Lichfield and Cannock.
- 3.9 A number of commentators have suggested that, at a national level, the changes will result in a significant reduction in the overall quantum of new housing brought forward through emerging Local Plans, particularly in those predominantly green belt shire districts adjoining the large metropolitan areas where housing shortfalls are most acute. At this stage, the direct implications are difficult to confirm with any certainty, but a reduction in the delivery of new housing over the medium to long term will impact upon the affordability of local housing markets and likely compromise the ability of England’s larger towns and cities to provide for anticipated growth in population and jobs. It is therefore important that this proposed change is considered alongside the proposed approach to the ‘urban uplift’ set out below, and a future consultation on arrangements for cross-boundary working resulting from the abolition of the Duty to Cooperate.
- 3.10 This change does not apply to unmet employment development needs, which could still require a green belt review. This is not relevant to Wolverhampton, where there are no green belt sites which are suitable for employment development. However, it would be relevant to the South Staffordshire Local Plan, which is proposing to release significant areas of Green Belt for employment development, some of which would meet the needs of the Black Country Functional Economic Market Area.

- 3.11 It is recommended that the Council strongly support the proposed change to NPPF paragraph 142 (as revised), which would allow the Council to give greater weight to local priorities and in doing so choose whether or not to review and release land from the Green Belt to meet housing needs through the WLP process, and when preparing future Local Plans.

No Change to the Housing Need Method

- 3.12 The Consultation states that the government remains committed to delivering 300,000 homes a year by the mid-2020s and intends to retain the current housing need method to inform the preparation of Local Plans. This method uses out-of-date 2014-based household projections and includes the urban uplift - a 35% increase for the 20 largest towns and cities – which applies to Wolverhampton. The Consultation states that the standard method will be reviewed when household projections based on the 2021 Census data are released in 2024.
- 3.13 Using more up-to-date household projections is unlikely to significantly reduce housing need figures for Wolverhampton (currently 1071 homes per year or 20,349 homes up to 2040). However, it is likely to reduce housing need figures for other local authorities in the Greater Birmingham and Black Country Housing Market Area (HMA), therefore reducing overall levels of unmet housing need across the HMA.
- 3.14 The urban uplift was introduced in 2020 as a way to meet the national 300,000 homes per year target, however it is not based on any evidence of additional need or supply in the 20 areas concerned. Indeed, the uplift affects constrained urban authorities, such as Wolverhampton, with high levels of housing need which they are already physically unable to accommodate. The Consultation proposes to provide more weight to the urban uplift by setting out this requirement in the NPPF as well as in guidance. The new NPPF wording would include the expectation that the uplift “should be accommodated within those cities and urban centres themselves unless it would conflict with the policies in this Framework and legal obligations” and that “In doing so, brownfield and other under-utilised urban sites should be prioritised, and on these sites density should be optimised”. However, a separate proposed change to the NPPF would allow local authorities to resist high densities where these are significantly out of character with the existing area, even if this is the only way of meeting housing needs. In any event, Wolverhampton would not be able to accommodate all of its housing need without conflict with NPPF policies (particularly regarding Green Belt), therefore this change is unlikely to affect the approach to the WLP.
- 3.15 There is currently a lack of clarity in national guidance on how the urban uplift should be met if it cannot be accommodated within the originating urban area. The Consultation seeks views on how neighbouring authorities functioning as part of the wider economic, transport or housing market for urban areas should apply the urban uplift, given that “there is sometimes minimal distinction between areas that are part of one of the 20 urban uplift authorities and neighbouring authorities”. This situation applies to South Staffordshire with regard to Wolverhampton.

- 3.16 Therefore, it is recommended that the Council object to the proposal to strengthen the urban uplift in the NPPF and request that national guidance is clarified to allow the urban uplift to either fall away if it cannot be accommodated within the originating authority, or provide a stronger expectation and mechanism for neighbouring areas to provide for it through cross-boundary working. It is also recommended that the response requests an early review of the standard method to make use of the most up-to-date household projections and remove the urban uplift. It is also recommended that the Council support the proposed changes to the NPPF which would clarify that building at densities significantly out-of-character with an existing area would be considered an "adverse impact" when seeking to meet objectively assessed need, for Plan-making purposes.

Weakening of the Tests of Soundness and Duty to Cooperate

- 3.17 The Consultation proposes short term changes to the "tests of soundness" set out in paragraph 35 of the NPPF – against which Plans are assessed during examination. These changes would remove the need for Plans to be justified i.e. "taking into account reasonable alternatives and based on proportionate evidence" and also remove the requirement for Plans to be "informed by agreements with other authorities, so that unmet need from neighbouring authorities is accommodated where it is practical to do so and is consistent with achieving sustainable development." Other Duty to Cooperate (DtC) requirements within the NPPF will be retained. These proposed changes would weaken the tests of soundness and DtC requirements for Plans.
- 3.18 In the longer term, the LURB will remove the DtC in late 2024, however the Consultation proposes to retain the DtC for Plans submitted under the current Local Plan system, which it is proposed will be allowed until June 2025. The government propose to replace the DtC with an "alignment policy" as part of a future revised NPPF, with further consultation planned on what this policy would involve. Although it is not clear what the "alignment policy" will look like, it appears likely that the existing approach will be weakened, potentially removing the current requirement for Plans to make a reasonable contribution towards the unmet housing needs of neighbouring authorities. Taken together with proposed changes to national Green Belt policy in NPPF para 142 (see above), this would be likely to reduce contributions from neighbouring authorities towards Wolverhampton's government housing target in future.
- 3.19 Therefore, it is recommended that the Council object to the proposed weakening of the tests of soundness, including the DtC, through proposed changes to paragraph 35 of the NPPF.

Flexible Application of the Five Year Housing Land Supply and Housing Delivery Test

- 3.20 The Consultation proposes to make short term changes to the NPPF to:
- remove buffers on top of the Five Year Housing Land Supply (YHLS);
 - require only a four YHLS for two years where a detailed Plan has been published;
 - introduce the ability to count past oversupply of housing when calculating YHLS; and

- allow the Housing Delivery Test (HDT) to be passed if completions were below 75% of housing need for the past three years, but enough permissions were granted over this period to meet 115% of housing need.
- 3.21 Wolverhampton currently has a marginal five YHLS and may fail the HDT in the years beyond 2023, when the urban uplift starts to be included in housing need. Either of these factors could weaken the Council's ability to resist unsuitable housing applications by triggering the presumption in favour of sustainable development. Therefore, it is recommended that the proposed changes are supported and further flexibilities encouraged.

Introduction of the New Local Plan System

- 3.22 The LURB and the Consultation set out the direction of travel for the new Local Plan system, although detailed guidance and legislation is not yet available. It is proposed that the latest date which Plans can be submitted under the current system is end June 2025. This would make it difficult to progress a review of the Wolverhampton City Centre Area Action Plan (AAP) under the current system, which would facilitate co-ordination between the WLP and the AAP. Therefore, it is recommended that the Council requests a short extension to the transition period, to allow the AAP to be prepared under the current Local Plan system.
- 3.23 The Consultation sets out government proposals to introduce streamlined evidence requirements and the proposed scope for National Development Management Policies (NDMPs), which will reduce the need for bespoke policies in Local Plans. These proposed changes could make it quicker and cheaper to prepare and adopt a Local Plan under the new system, in accordance with a proposed 30 month timetable. However, it is important that local authorities retain control over locally significant policies. The Consultation also asks for views on the process for removal of Supplementary Planning Documents (SPDs), which many local authorities, including Wolverhampton, rely on in order to provide detailed guidance for developers, with a transition period extending to 2027. The consultation also asks for views on how levelling up of economic opportunity could be achieved through national policy changes.
- 3.24 Therefore, it is recommended that the Council response sets out appropriate subjects for NDMPs and objects to the removal of SPDs from the new system.
- 3.25 The Consultation also seeks views on how the new local plan system can support the Levelling Up agenda and how planning can better support businesses across the country to drive economic growth, boost productivity, pay, jobs and living standards especially in those places where they are lagging. The Consultation does not suggest what these changes may involve, and instead seeks views on how national planning policies could better reflect these objectives. It is recommended that the Council response requests that Levelling Up is reflected as a key priority of the NPPF as a whole, and that the renewed emphasis on supporting economic growth through attracting new employers to an area and supporting the retention and growth of existing businesses is strongly supported. With this in mind, it is recommended that future changes to the NPPF provide greater protection to existing employment premises in order to provide greater certainty

for local businesses to invest in and expand their operations. This is a particular issue in Wolverhampton, where some lower cost business accommodation is under significant pressure for redevelopment to alternative uses such as housing. At a wider level, it is also recommended that Local Plans should continue to be informed by joint working across functional economic geographies in order to ensure that levels of growth and the strategies which accommodate them reflect labour market areas and supply chain linkages.

4.0 Implications for the Wolverhampton Local Plan and Local Development Scheme

- 4.1 The government is consulting on making substantial changes to the NPPF which would mean that the Council is not required to bring forward Green Belt land to meet housing need through the WLP. It is also highly likely that Wolverhampton will receive reduced housing contributions under the DtC from other areas such as South Staffordshire.
- 4.2 The proposed changes are controversial and will generate significant challenge from a variety of interests, not least the housebuilding industry. There may well be practical issues with the implementation of the changes as currently worded. At the same time, the proposals reflect heightened political interest in the planning system and the government will need to balance these concerns when deciding whether any further changes are appropriate and when the final version of the NPPF is published.
- 4.3 Therefore, it is recommended to await publication of the revised NPPF, currently programmed for spring 2023, before finalising and consulting on the WLP Issues and Preferred Options. This will require a change to the Wolverhampton Local Development Scheme (LDS) to reflect the new timetable for the WLP, as set out below:

Issues and Preferred Options Consultation (Reg 18):	July - Sept 2023
Publication Consultation (Regulation 19):	Feb - Apr 2024
Submission (Regulation 20):	Mid 2024
Examination:	Mid 2024 – Mid 2025
Adoption:	Late 2025

- 4.4 It is also necessary to update the timetable for the Wolverhampton City Centre Area Action Plan (AAP) review, which will follow on from the WLP. Subject to adoption of the proposed transition period for the new Local Plan system, the AAP will now need to be prepared under the new system to be introduced through the LURB. The revised LDS is attached as Appendix 2.

5.0 South Warwickshire Local Plan Consultation

- 5.1 Stratford-on-Avon and Warwick District Councils are working together to produce a new South Warwickshire Local Plan and are currently consulting on an Issues and Options report, with a deadline of 6 March 2023. The consultation recognises that there is a significant shortfall of land to meet the housing needs of the Greater Birmingham and Black Country Housing Market Area as a whole. The consultation seeks views on the

role that South Warwickshire could have in meeting these needs and some work has been undertaken to test the impact of increasing the housing target in the Local Plan to accommodate needs arising in the wider area. Given that the Duty to Cooperate is still a key element of planning law and national policy, and that Councils will continue to be required to work together under anticipated future changes, the positive approach set out in the consultation should be welcomed. It is therefore recommended that the Council respond to the consultation to recommend that the Local Plan should continue to test a number of scenarios which could provide for meeting non-local housing needs, and at the same time that the Councils continue to engage in joint working through the Greater Birmingham and Black Country Housing Market Area Group to progress a regional solution to addressing the evidenced housing shortfall.

6.0 Evaluation of alternative options

- 6.1 The alternative option to preparing a revised Local Development Scheme would be to make no change to the existing Black Country Core Strategy. This would mean that the City would not have an up-to-date Local Plan in place for a number of years.
- 6.2 Failure to have a Local Plan that is based on sound evidence could result in the City having insufficient land to meet the need for housing, employment and other land uses that are necessary to support the economic and environmental well-being of the area. It could also result in development taking place in the wrong locations, leading to an inefficient use of resources, traffic congestion and other harm. Having an up-to-date Local Plan in place is also essential to defend the Council's position at planning appeals. Lack of an up-to-date Plan risks intervention from central government and may compromise our ability to make decisions locally.

7.0 Reasons for decisions

- 7.1 It is important that Wolverhampton is covered by an up-to-date Local Plan, in order to meet statutory requirements and to support regeneration and investment in the City and protect areas of value from development. Cabinet approval is required for each consultation stage of the Local Plan preparation process. Linked to this, it is important that the Council responds to consultations on national policy and guidance and the Local Plans being progressed for neighbouring authorities.

8.0 Financial implications

- 8.1 The Council spent c. £370,000 of revenue budgets and Wolverhampton-specific grants on BCP work during 2015-2022. Following the decision to cease work on the BCP, all BCP work programmed for 2022-2023 has been completed or is almost complete, and it is anticipated that the Council will not have to make a payment towards BCP work for 2022-2023.
- 8.2 Following a full review of potential costs, it is estimated that taking the WLP to adoption will cost £550,000 over the period 2022-2025. In comparison, it is estimated that taking the BCP to adoption would have cost the Council c.£280,000 (in addition to the £370,000

already spent). There are two main reasons why completing the WLP is likely to cost c.£270,000 more than completing work on the BCP: the need for an extra stage in the Plan process (Issues and Preferred Options); and the loss of savings which would have been made through joint working, particularly on examination costs.

8.3 On this basis an indicative cost breakdown is provided in the table below:

	2022-2023 £000	2023-2024 £000	2024-2025 £000	Total £000
Wolverhampton Local Plan cost	30	260	260	550
Available in Existing Budgets / Grants (taking account of commitments)	30	85	45	120
<i>Shortfall</i>	<i>0</i>	<i>175</i>	<i>215</i>	390

8.4 The numbers in the table above are estimated and are subject to change. It is estimated that costs for 2022-2023 can be fully met through planning grants and planning revenue budgets, with existing approved budgets for the period 2022-2025 outlined.

8.5 The 2023-2024 final budget and medium term financial strategy 2023-2024 to 2025-2026 report on the same Cabinet agenda incorporates the above growth to mitigate the shortfall and will be subject to approval by full Council on 1 March 2023.
[LD/19012023/R]

9.0 Legal implications

9.1 As set out in the body of the report, the Council is required to have an up-to-date Local Plan. The legal implications are detailed in the report and related appendix. The Wolverhampton Local Plan will form part of the adopted Local Plan for the City.
[JA/01/02/2023/E]

10.0 Equalities implications

10.1 Preparation of the Wolverhampton Local Plan will include the carrying out of an integrated Sustainability Appraisal at each formal stage, and at later stages an Equality Impact Assessment. The Plan will seek to ensure that sufficient homes, shops and employment, social and recreational facilities are planned and provided for in that time to meet the needs of the communities in the City. This will include meeting the needs of children and young people by seeking to provide sufficient facilities for them as well as having a positive effect for future generations.

11.0 All other implications

- 11.1 A Sustainability Appraisal (SA) is being carried out throughout the plan preparation process. SA is a process for evaluating the environmental consequences of proposed policies and proposals to ensure sustainability issues are fully integrated and addressed at the earliest appropriate stage. The overall aim of the SA process is to inform and influence the development of the Plan and maximise its sustainability value.
- 11.2 There are currently sufficient staff resources in the Planning team to progress the Wolverhampton Local Plan to timetable. Delivery of the timetable will be dependent upon the retention of key staff and maintenance of staffing resource up to adoption.

10.0 Schedule of background papers

- 10.1 Black Country Core Strategy 2006-26, adopted February 2011
- 10.2 Cabinet – 27 June 2017 '[Black Country Core Strategy Review – Issues and Options Report](#)'
- 10.3 Cabinet – 17 October 2018 '[Progress on Black Country Core Strategy Review](#)'
- 10.4 [Cabinet – 7 July 2021 'Black Country Plan Draft for Consultation'](#)
- 10.5 Cabinet – 19 October 2022 '[Wolverhampton Local Development Scheme](#)'

11.0 Appendices

- 11.1 Appendix 1: City of Wolverhampton Council Response to Consultation on Reforms to National Planning Policy
- 11.2 Appendix 2: Wolverhampton Local Development Scheme (2023-26)