

**Plymouth and South West Devon Joint Local Plan
Examination**

**Response to Inspectors' Matters Issues and Questions
for the Examination Hearings**

JLP Councils

**Matter 11 – Planning obligations, viability and
monitoring**

JLP Councils: 8 January 2018

JLP Councils PSWDJLP Examination Hearing Statement – Matter 11

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Matter 11 Planning obligations, viability and monitoring

Main Issue – Are the planning obligation requirements in the JLP justified and is the plan viable overall? Is the JLP deliverable and capable of being effectively monitored?

Evidence Base and Submission documents referenced in this Matter Statement

- National Planning Policy Framework
- Planning Practice Guidance
- [Viability Testing Local Plans - Advice for planning practitioners, Local Housing Delivery Group, chaired by Sir John Harman, June 2012](#)
- [Plymouth and South West Devon Joint Local Plan Viability Study, Final Report, PBA, February 2017 \(O5\)](#)
- [Topic Paper on the Governance and Implementation of the JLP \(TP6\)](#)
- [Plymouth and South West Devon Joint Local Plan Baseline Transport Conditions Report \(T18\)](#)
- [Strategic Modelling Methodology Note \(T19\)](#)
- [2034 Forecast SATURN Model Results Summary \(T20\)](#)
- [Position Statement Two \(T25\)](#)

Issue 11.1: Planning obligations and viability (Policy DEL1)

Question 11.1(i)

Would the viability of development be adversely affected by the requirements in the JLP including in respect of any required standards, affordable housing provision and transport and infrastructure needs?

- 11.1 No, the JLP Councils assert that Local Plan level viability assessment shows that the policy requirements contained within the Plan would not adversely affect the delivery of development.
- 11.2 The National Planning Policy Framework (NPPF) states that "...the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed is threatened..." and that "...account should be taken of "...the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements..." (NPPF para 173)
- 11.3 NPPF also states that "...the cumulative impact of these standards and policies should not put implementation of the Plan at serious risk..." (NPPF para 174)
- 11.4 Planning Practice Guidance (PPG) states that viability assessment "...should ensure that the Local Plan vision and policies are realistic and provide high level assurance that plan policies are viable." It also states that "evidence should be proportionate to ensure plans are underpinned by a broad understanding of viability." (PPG Viability para 005)
- 11.5 Work undertaken by the Local Housing Delivery Group and published in 'The Harman Report' identifies that Local Plan level viability assessment "...is to provide high level assurance that the policies within the Plan are set in a way that is compatible with the likely economic viability of development needed to deliver the Plan." (Viability Testing Local Plans - Advice for planning practitioners, Local Housing Delivery Group, chaired by Sir John Harman, June 2012 page 15)

11.6 The Harman Report also states that the outcome of a viability assessment should not dictate individual policy decisions, rather that the assessment should be part of the wider evidence base and is a means of reducing the risk of plan policies being based on aspirations that are unviable. (Harman report page 15)

11.7 The Harman Report also outlined a number of principles to be kept in mind during the assessment process:

- Give consideration to the cumulative impact of policies
- Strike a balance between policy requirements and economic viability
- Choices should be supported by a collaborative approach
- Assessment should be part of the wider process of Plan making and not a separate exercise
- Plan level assessment can only give high level assurance of viability
- Process should be iterative so that Plan assumptions can be revised if too much development is unviable

11.8 Peter Brett Associates (PBA) was commissioned in March 2015 to provide viability advice for PCC to support the preparation of the Local Plan and the introduction of a CIL. This initial work resulted in a report dated March 2016 entitled 'Plymouth Local Plan and CIL Viability Study'. As part of the JLP process, PBA were later commissioned 'to provide high-level viability update advice relating to plan making in the Plymouth and South West Devon Joint Local Plan area' resulting in their report dated February 2017 which is part of the JLP Evidence Base (O5, Plymouth and South West Devon Joint Local Plan Viability Study, Final Report, PBA, February 2017).

11.9 The PBA Report concludes:

"The overall assessment of the policy requirements within the Plymouth Policy Area and Thriving Towns and Villages Area considers that the emerging JLP policies would not adversely affect the delivery of residential and non-residential development in most parts of the Plymouth Policy Area and Thriving Towns and Villages Area." (O5, para 9.12)

11.10 The viability assessment was undertaken in line with the Harman Report advice, and in line with RICS Valuation Guidance. The viability testing and study results are based on establishing a residual land value for different land uses relevant to different parts of the Joint Local Plan area. The approach takes the difference between development values and costs and compares the 'residual value' with a benchmark / threshold land value to determine the balance that could be available to support policy cost. This approach is advocated by the Harman Report.

11.11 The viability assessment looked at different development typologies, and different geographies. It considered a range of residential development types from 1 unit up to 400 units and divided the JLP area into 6 different geographies: east and west Plymouth, north and south West Devon, and north and south South Hams.

11.12 The viability assessment process and conclusions were tested at two consultation events with industry representatives to ensure the approach was collaborative. The results of these workshops, and subsequent evidence submitted by the participants, were used to refine the results of the assessment.

11.13 The PBA Report identified and took into account the key policy requirements that may have an impact on viability: 30% affordable housing, accessible housing, housing space / amenity standards, and a 2.5% allowance for low carbon requirements. A £2,000 S.106 contribution per housing unit has also been assumed (nevertheless the study acknowledged that this may be higher on larger sites). In Plymouth the current rates of CIL were also applied. (In fact, the Report concluded that across the Plymouth area, there is scope to increase CIL from its current rate)

11.14 The PBA report concludes that the emerging JLP Policies could be accommodated in the majority of development typologies. Whilst, in reality there may be some sites that are unlikely to be able to meet all the requirements of the Plan, there will be individual site characteristics that enable the actual nature of development to be adapted to ensure viability.

11.15 The PBA Report also finds that, whilst viability varies across the area, testing has demonstrated that the plan policies are viable across the majority of geographies. Where viability is comparatively weaker, for small sites in north West Devon, there may be the need to compromise at the time of an application, on certain policy requirements, to ensure delivery. The JLP allows for this flexibility in applying policy in decision-making.

Issue 11.2: Plan delivery, targets, indicators and reviews

Question 11.2(i)

Are the proposed targets and indicators in the JLP clearly measurable?

- 11.16 Yes, the JLP Councils believe that the targets and indicators are clearly measurable. Each of the targets and indicators is monitored using either the local authorities own data, or data that is published by other organisations. Arrangements are being formulated for a Joint Local Planning Team to undertake this monitoring across the whole JLP area and produce a JLP area wide AMR. (TP6, Topic Paper on the Governance and Implementation of the JLP)
- 11.17 The Joint Local Planning Team would be an officer group comprising officers drawn from each of the three authorities working together under common leadership and with a clear collective role. This is a natural successor to the team that has undertaken the collation of evidence and the preparation of the JLP.
- 11.18 The JLP Monitoring Framework is based on the premise that monitoring and management is critical to the delivery of the JLP. It provides an understanding of how the JLP is progressing over time or against its targets, and whether the approach or any of the interventions need to be changed. It is an integral part of the Plan.
- 11.19 The overall progress of the JLP is demonstrated principally through the 30 indicators identified in Annex 2 of the JLP. These cover the key planning targets (housing and jobs) together with a range of other important issues. Together they will give a clear indication of whether the Plan is generally on target or not. It will be measured at least annually or more regularly if there appears to be a significant risk of underperformance.
- 11.20 The set of indicators is derived directly from the measures of success identified in the JLP, and these measures of success

relate to the key issues identified in the JLP's outcomes and objectives.

11.21 There will be one common Annual Monitoring Report for the whole Plan area, supplemented by more frequent monitoring and review to assist in managing the implementation of the JLP, especially in relation to housing delivery.

11.22 In relation to the individual indicators and targets the following paragraphs indicate how each is measured.

11.23 Total Homes consented and built (including brownfield and windfall) (Joint Local Plan area) (I1) - This data is collected annually by the JLP Councils. The AMR will report for the JLP area: annual housing net additions against annualised target, dwellings under construction, and dwellings with consent but not started, together with net additions on allocated / committed sites, on large windfall sites and small windfall sites. It also covers development on greenfield / brownfield land.

11.24 Total homes consented and built (including brownfield and windfall) by Local Planning Authority area (I1a) – These indicators are based on the housing sites identified in the housing supply and are not housing requirements. They are intended to be used to hold each LPA to account, ensuring that through monitoring of delivery, each LPA is making decisions which will implement the JLP approach. These indicators are therefore an important element of the governance that the JLP authorities are setting up to deliver the JLP. (see also TP6, Topic Paper on the Governance and Implementation of the JLP)

11.25 Total affordable homes consented and built (I2) - This data is collected annually by the JLP Councils. The AMR will report total affordable homes built across the JLP area and for the two Policy Areas, together with the rolling five year average, both against the respective targets. It will also report on affordable homes consented.

11.26 Total employment land / floorspace consented and built (including office) (I3) - This data is collected annually by the JLP

Councils. Previous AMRs have shown 'employment land delivered (ha)', 'new employment floorspace completed (m²)' and also employment sites 'with permission but not started, and under construction'. This is broken down between B1 / B2 / B8 (offices / industrial / storage).

- 11.27 Total retail consented and built (I4) – This data is collected annually by the JLP Councils. The AMR will report for the PPA and TTVPA.
- 11.28 Quantity / distribution of housing and employment between the policy areas (I5) - This data is collected annually by the JLP Councils. The AMR will report for the PPA and TTVPA: annual housing net additions against annualised target, dwellings under construction, and dwellings with consent but not started, together with net additions on allocated / committed sites, on large windfall sites and small windfall sites. It will report on the distribution between the policy areas against the target.
- 11.29 Housing and employment floorspace delivered (I6) – this is a repeat of Indicators I1 and I3.
- 11.30 Travel used for journey to work: car or van (I7) – this data is included in the Census and is therefore collected every ten years. This means that we will have an early opportunity to see any impact in modal shift in 2021, and again towards the end of the Plan period in 2031. More detailed indicators on specific modes etc will be in the Plan for Transport.
- 11.31 Railway station passenger footfall (entry/exit) in key stations (I8) - This data is from Office of Rail Regulation Estimates of Station Usage which is published every November.
- 11.32 %deaths attributable to particulate air pollution (I9) - Particulates are measured at several sites across the city, and levels are compared against the Air Quality Objectives which set maximum recommended thresholds for PM2.5, PM10 and NO2. PM10 is measured at three sites, whilst PM2.5 is measured in the city centre and near the EfW plant. 'Deaths attributable to particulate air pollution' is one of the indicators included in the

Public Health Outcomes Framework and data is published for each local authority area each year.

- 11.33 Train journey time between Plymouth and London (I10) – This data is published by the Peninsula Rail Task Force.
- 11.34 Tonnage / passenger numbers through Plan area ports (I11) - This data is from DfT Port Freight Statistics and Sea Passenger Statistics. The Port of Plymouth is the only recognised port in the JLP area.
- 11.35 % of population and businesses with access to superfast broadband (I12) – This data is published and available on a regular basis from thinkbroadband.com. It is published for each local authority area.
- 11.36 Amount of new strategic greenspace delivered (I13) - This data is collected annually by the JLP Councils.
- 11.37 Bathing water quality (I14) - This data is from the Environment Agency. 19 beaches across the JLP area are monitored.
- 11.38 Additional Indicator: Water body classification (part of I4, see Minor Modification M310) – detailed data on the state of the area’s water bodies is collected and published by the Environment Agency.
- 11.39 Air quality: nitrogen (I15) - Nitrogen dioxide is measured at several sites across the city, and levels are compared against the Air Quality Objectives which set maximum recommended thresholds for PM^{2.5}, PM¹⁰ and NO₂. The data is available on a local authority area basis from DEFRA.
- 11.40 Carbon emissions million tonnes (I16) - This data is from DBEIS UK Local and Regional CO₂ emissions.
- 11.41 Plymouth’s population (I17) - This data is from ONS Midyear Population Estimates.

- 11.42 GVA per hour (index) (I18) - This data is from ONS Employment and Labour Market - Labour Productivity.
- 11.43 Number of jobs (I19) - This data is from NOMIS.
- 11.44 City centre market share of catchment area (I20) – Whilst this data is available from time to time, we will also be using the city centre footfall data collected by Plymouth City Centre Company which is available on an annual basis.
- 11.45 Number of jobs in the Dockyard and Naval Base (I21) – This data is published by Impact, at Plymouth University.
- 11.46 Retail premises vacancy rate (I22) - This data is from Experian Retail Statistics in Plymouth Retail Studies.
- 11.47 Visitor spend (I23) – This data is from Visit Britain and Visit England.
- 11.48 Delivery progress (I24) - This monitors and provides an annual commentary on the progress of the Derriford District Centre.
- 11.49 Delivery progress (I25) - This monitors and provides an annual commentary on the progress of a range of transport infrastructure projects in the Northern Corridor.
- 11.50 Delivery Progress (I26) - This monitors and provides an annual commentary on the progress of the 4 key housing sites in the Eastern Corridor.
- 11.51 Delivery Progress (I27) - This monitors and provides an annual commentary on the progress of the 2 key strategic greenspace projects in the Eastern Corridor.
- 11.52 Quantity / distribution of housing and employment development across the settlement hierarchy (I28) – This is collected by South Hams and West Devon Councils.
- 11.53 Vacancy rate of different use classes (I29) - This is collected by South Hams and West Devon Councils.

11.54 Number of Neighbourhood Plans adopted (I30) - This is collected by South Hams and West Devon Councils.

Question 11.2(ii)

Are the measures of success set out for the Strategic Outcomes relating to: the spatial strategy (p51); Plymouth's strategic role (p60); City Centre and Waterfront Growth Area (p110); Derriford and Northern Corridor Growth Area (p135); Plymouth Eastern Corridor Growth Area (p154); and South Devon's strategic role (p177) consistent with those set out in Appendix 2?

11.55 Yes, the JLP Councils believe that these measures of success are consistent with Appendix 2.

Question 11.2(iii)

Are indicators referring to housing targets appropriate or should they refer to minimum numbers?

11.56 The JLP Councils believe that the housing targets as currently worded are appropriate. The indicators and targets set out in I1 of Annex 2 are intended to be used to monitor the implementation of the JLP, and to ensure that housing needs are being met.

11.57 They therefore reflect the housing requirements set out in SPT3. The requirements are set out as minimum numbers, however it would be difficult to set out indicators that will be used as a measure to gauge the implementation of the JLP, and the performance of individual LPAs, as minimums.

11.58 The policy says 'at least'; therefore if we achieve the minimum, ie 19,000 in the case of the PPA – we have successfully implemented the policy.

11.59 Paragraphs 7.22 to 7.30 of the JLP sets out how monitoring will be undertaken, and further amplification of this in relation to how monitoring will operate across the JLP area is contained

within the Topic Paper on the Governance and Implementation of the JLP (TP6).

11.60 From this it is clear that the indicators in Annex 2 allow the JLP Authorities to monitor whether housing needs are being met – as clearly if the housing requirement is being delivered in full, the OAN for the HMA is being met. If these indicators show that needs are not being met the JLP authorities can take steps to remedy the situation, using the measures set out in paragraph 3.32 of the JLP and the Topic Paper.

11.61 Therefore the JLP authorities do not consider that it would be appropriate to set out the housing indicators as minimum numbers.

11.62 However, if there are concerns that this is not clear enough then we have no objection to it being modified to say 'at least' / or 'min'. The target and indicator table at annex 2 could therefore be amended to refer to "at least" 19,000 and "at least" 7,700 in Indicator I1 and "at least" 4,550 and "at least" 2,050 in Indicator I2.

Question 11.2(iv)

Are any other targets, indicators or measures necessary e.g. transport?

11.63 The JLP Councils believe that no further indicators, targets or measures are necessary in the JLP. Those identified in Annex 2 are sufficient to enable an understanding of the progress and direction of travel of the Plan as a whole and the key issues that underpin it. They are also sufficient to enable consideration to be given as to whether any contingency measures should be put in place. Contingency measures are identified in JLP Annex 3.

11.64 Further, more detailed, indicators and targets, which look in much finer grain at some of the interventions, will be included within the various delivery plans, for example in the Plan for Transport.

11.65 Paragraph 7.23 of the JLP explains how the Monitoring Framework will be used to comprehensively monitor the JLP:
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11.66 The Measures of Success, Indicators and Targets are derived from the the Strategic Outcomes and Strategic Objectives and enable the JLP authorities to see whether the overall changes to the plan area envisaged by the JLP are occurring – ie they set out a direction of travel which is what we would expect to see being followed in order to achieve the Vision of the JLP.

11.67 The JLP Councils do not consider that any further indicators, targets or measures are required to enable effective monitoring of the delivery of the JLP.

11.68 Specifically in respect of transport indicators, the JLP Councils consider that this is adequately covered by indicators I7 travel to work, I8 railway station footfall, I9 deaths due to air pollution, I10 train journey times to London, and I25 the delivery of key transport schemes in the Northern Corridor. The proposed indicators for transport are considered sufficient to effectively monitor the effectiveness of the transport strategy set out within the Joint Local Plan.

11.69 The transport strategy looks to:-
provide 'increases in the options available for widening travel choice, and increases in the use of active and sustainable options'

11.70 The three proposed 'direction of travel' indicators for this metric are an effective way of assessing if choice has been provided – and hence modal switch away from single occupancy has been achieved – through monitoring the % of trips made by car or van on the journey to work, railway station passenger footfall in key stations, and the percentage of deaths attributable to air pollution which is a proxy for a reduction in vehicle demand and an increase in active travel.

11.71 Travel used for the journey to work; car or van will be monitored using census data. The 2011 data is reported in Section 4.5 of the Plymouth and South West Devon Joint Local Plan Baseline Transport Conditions Report (T18). During the life of the Plan there will be a further two monitoring points 2021 and 2031.

The advantage of using census data as part of the JLP monitoring is; the size of the data set, the ability to compare data with national trends using data collected at the same time and the robust nature of the sampling technique.

11.72 In relation to connectivity, the direction of travel indicators span passenger and commercial transport and digital connectivity and provide a useful measure of the performance of Plymouth's regional infrastructure.

11.73 The Plymouth and South West Devon Joint Local Plan Baseline Conditions Report (T18), Strategic Modelling Methodology Note (T19), 2034 Forecast SATURN Model Results Summary (T20) and Position Statement Two (T25) all demonstrate the importance of the transport infrastructure proposed for the Northern Corridor. Monitoring the delivery progress will ensure that the Plan remains on track.

11.74 Alongside the indicators set out in the JLP the effectiveness of the measures which will be delivered as part of the JLP, which will be described in the delivery plan, the Plan for Transport, supplementary monitoring will be undertaken. This will include: Scheme monitoring to assess the impact of interventions introduced (both infrastructure and smarter choices) and the National Highways and Transport Network (NHT). The NHT collects public perspectives on, and satisfaction with, highway and transport services in Local Authority (LA) areas. For participating LAs, the NHT survey results can be used to understand the public's perspective on the highways and transport services and the impact of service improvements in their area. As the same information is collected in other LA areas, the data allows for comparison of performance.

11.75 The NHT allows monitoring on: accessibility, public transport, active travel, congestion, road safety and highway maintenance and enforcement. The qualitative data will complement the quantitative data collected through the census

Question 11.2(v)

Does the delivery and monitoring framework clearly set out what actions will be taken if targets/policies are not being achieved?

- 11.76 The JLP Authorities consider that the JLP sets out a comprehensive set of arrangements for the monitoring of the JLP, and contingency actions that the JLP Authorities will undertake in the event that JLP targets and policies are not being achieved.
- 11.77 Paragraphs 7.31 to 7.35 and Annex 3 set out the approach of the JLP to risk and contingency, and the actions the authorities will take to understand why elements of the JLP are not being delivered.
- 11.78 Paragraph 7.31 includes a table which explains how the JLP authorities will assess the significance of a JLP policy not delivering on expectations.
- 11.79 The JLP contains details of the Contingency Plan at annex 3. This identifies the key things that could derail successful progress of the Plan, and the triggers and some of the potential actions that could be taken in the event that any of the triggers are breached.
- 11.80 At JLP para 7.34 there is a generic set of measures that can be taken to address any contingency issue.
- 11.81 To keep the Plan on course and hence to avoid the need to activate any of the contingency measures there are a set of proactive actions the authorities will be undertaking particularly to ensure delivery of housing – the Housing Implementation Strategy - and these are identified at JLP para 3.32.
- 11.82 Where it is clear that policies are not being effective and need changing then JLP Para 7.29 states that relevant issues will be collected and dealt with at the next available 5 year review unless the issue is so significant, in which case early review may be precipitated.

Question 11.2(vi)

Is it clear when a review of policies or the plan may be necessary?

11.83 Yes. The JLP Councils believe that the JLP does make it clear when a review may be necessary. Paras 1.22, 3.33 and 7.28 of the JLP states there will be a full review of the JLP every five years from adoption, the first one likely to be in 2022/23. Plan review will enable the development strategy to be reviewed, and a regular examination of housing delivery against up to date assessments of need and updated plan targets. If monitoring identifies that issues are more urgently dealt with than an earlier full or partial review may be necessary.

11.84 This approach is in accordance with PPG which states that "...most local plans are likely to require updating in whole or in part at least every 5 years." (PPG Local Plans para 008)

11.85 The JLP sets out the scenarios where a review of the plan will take place:

11.86 Clearly, the JLP will be reviewed every 5 years as a matter of course, in line with national guidance. This review cycle will enable the plan housing requirement to be updated, and the plan period to be rolled forward. It will also enable the approach set out in the JLP to be amended if monitoring has shown that an element of the strategy is not delivering as expected. This principle is explained in paragraphs 3.33 and 7.29 of the JLP.

11.87 The intention of the JLP authorities is to collect together any issues that are brought to light by monitoring which could lead to a change to the JLP, and to deal with these at the regular 5 year monitoring point. This approach could be considered the 'default' approach to making change to the JLP.

11.88 Nevertheless, the JLP authorities recognise that it may be necessary to trigger earlier reviews of the JLP. In the event that monitoring highlights issues that are so significant that they require immediate action, and full or partial review of the affected parts of the JLP will be triggered. Paragraph 7.29 of the JLP sets out this approach, and that a risk based approach will

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be taken to consider whether a review should be triggered. Paragraph 7.31 and the following table provide guidance as to how the JLP authorities will assess the significance of policies and implications of under delivery.

11.89 Paragraphs 3.32, 3.33 and 7.34 relate directly to the delivery of housing, and set out more specifically the way in which the JLP authorities will decide whether an under delivery of housing should trigger a full or partial review of the JLP.

11.90 Finally, Annex 3 of the JLP sets out contingency actions that the JLP authorities will consider in the event that JLP policies are not being delivered as expected. Some of these actions include bringing forward revisions to the JLP, and specifically flag up those issues which could trigger an early review of the plan.