

# PLANNING FOR SUSTAINABLE DEVELOPMENT AND GROWTH

Policies background paper



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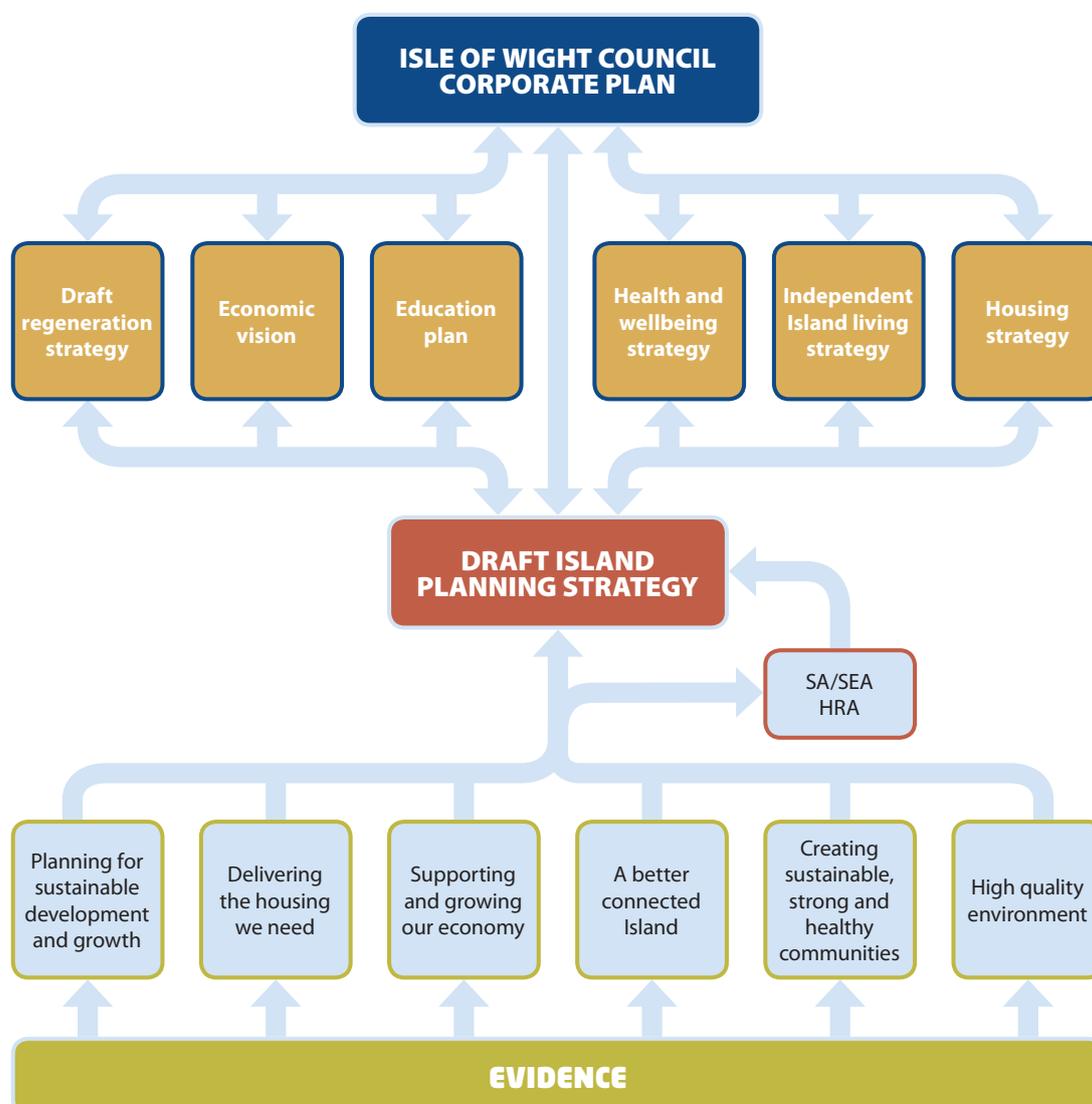
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1.1 The draft Island Planning Strategy has been published for public consultation. The draft strategy sets out the policies the Isle of Wight Council is proposing and how they will be implemented. The policies are grouped into the following 'families':

- Planning for Sustainable Development and Growth
- Delivering the Housing We Need
- Supporting and Growing Our Economy
- A Better Connected Island
- Creating Sustainable, Strong and Healthy Communities
- High Quality Environment

1.2 Background papers have been produced to accompany the draft Island Planning Strategy to summarise the relevant national planning policy framework and practice guidance, explain the issues faced within each policy family, to summarise the evidence and how the proposed policy (either by itself or in conjunction with other policies) will contribute to addressing the issue. This background paper explains the approach taken in relation to the **Planning for Sustainable Development and Growth** policy family. The following diagram sets out the relationship between the draft Island Planning Strategy and a range of other plans and strategies prepared by the council or its partners, and the technical documents the sustainability appraisal/ strategic environmental assessment (SA/SEA) and habitat regulations assessment (HRA).



## 2 National Policy and Guidance

- 2.1 As set out in the revised National Planning Policy Framework (NPPF), the purpose of the planning system is to contribute to the achievement of sustainable development. In the context of the planning system, paragraph 8 sets out that:

*Achieving sustainable development means that the planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways (so that opportunities can be taken to secure net gains across each of the different objectives):*

*a) an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure;*

*b) a social objective – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being; and*

*c) an environmental objective – to contribute to protecting and enhancing our natural, built and historic environment; including making effective use of land, helping to improve biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy.*

- 2.2 Further to this, paragraph 11 sets out the presumption in favour of sustainable development:

*Plans and decisions should apply a presumption in favour of sustainable development.*

*For plan-making this means that:*

*a) plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change;*

*b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:*

*i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area; or*

*ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.*

- 2.3 As required through legislation and national policy there is a requirement for local plans to be informed throughout their preparation by a sustainability appraisal. This is amplified in planning practice guidance in the plan-making section. In the context of the draft Island Planning Strategy, the accompanying draft Sustainability Appraisal/ Strategic Environmental Assessment (SA/SEA) has played a central role in the evolution of the draft plan and its policies and ensuring that we contributing to this national requirement.

## The issues faced

- 3.1 The draft policy sets out an overarching narrative and overview of the policies of the rest of the plan. The relevant issues and evidence are therefore described in relation to the specific policies in both the Planning for Sustainable Development and Growth Policies family in this document and other policies and their families set out in the other background documents. Because of this it is not considered necessary to discuss the evidence used and how the policy contributes to these issues.

### The issues faced

- 4.1 At the heart of the NPPF is the presumption in favour of sustainable development, and it is a legal requirement for the council to prepare its plan with the objective of achieving sustainable development.
- 4.2 To assist local planning authorities discharge this duty, the Planning Inspectorate introduced a model policy covering the presumption in favour of sustainable development.

### The evidence used

- 4.3 The model policy currently available from PINS has been superseded by the revised NPPF (published in July 2018), and therefore a number of changes to the model policy included in the draft Island Planning Strategy have been made. These changes are based upon the changes to sustainable development in the revised NPPF, and a review of the plans examined since the draft revised NPPF was published.

### How the policy contributes to addressing the issues

- 4.4 The proposed policy gives a clear commitment from the council to support sustainable development through its local plan, thereby demonstrating conformity with national planning policy and legislation.

### The issues faced

- 5.1 The Island has a wide range of settlements, each with their own distinct features, functions and opportunities. Whilst the planning policies of the council need to retain these features and functions, they also need to allow appropriate growth in the right locations. On the Isle of Wight, it is particularly important to preserve the predominantly rural character of the county and the majority of its settlements, and to sustain a tourism industry that is built upon this unique character and the Island's natural resources.
- 5.2 Planning policy on the Isle of Wight has historically located new development on the edge of existing settlements, building outwards from historic cores. Generally speaking this has worked reasonably well and has ensured new development is located close to services and employment opportunities.
- 5.3 A number of large (in the context of the Isle of Wight) urban extensions were planned for, and are currently being built out by a national volume housebuilder. However, the build out rates have reduced over time and units are now only being delivered at a rate of around 20-30 dwellings per year.
- 5.4 Locating development on the edge of the same settlements also placed ongoing pressures on the transport infrastructure, particularly at the larger towns, without necessarily the commensurate transport infrastructure being provided in a planned and comprehensive manner.
- 5.5 This, and with local concerns around the size and quality of the units, has resulted in a 'backlash' against this scale and type of development. It was important, therefore, for the spatial options for new development to be carefully considered and evidence used to understand whether different approaches are required to achieve the council's vision for the Island.
- 5.6 There is also a wider issue of lack of delivery over a number of years against the adopted plan figure of 520 dwellings per year. We know from monitoring that there has been a delivery ceiling of around 400 dwellings since the adoption of the Core Strategy in 2012, so this was a key issue to be addressed in the draft Island Planning Strategy.

### The evidence used

- 5.7 Policy SP1 of the **Island Plan Core Strategy** sets out the local planning authority's current spatial strategy for new development, along with a settlement hierarchy. It was devised to ensure that development was focussed in the most sustainable locations. This approach was tested and endorsed through the examination process, and the council's **Monitoring Reports** shows that the policy has worked well in terms of directing development towards sustainable locations.
- 5.8 As part of the process of preparing the draft Island Planning Strategy, the council updated its **Strategic Housing Land Availability Assessment (SHLAA)**, which included a call for sites. This enabled the council to understand the location of potential development sites, and following a detailed assessment of a site's suitability (which included a panel consisting of development sector professionals) paint a picture of where the best sites were. This supply aspect then feed into the wider consideration of priority locations for development.
- 5.9 As well as the SHLAA, the council has prepared a **Brownfield Land Register** <sup>(1)</sup>. It is crucial for the council to understand and maximise the opportunities for development on brownfield, or previously developed land, because the importance of the Island's natural environment and landscapes.
- 5.10 The **Housing Needs Assessment** deals with the need side of the equation, and provides robust evidence that identifies need at the regeneration area (see the **emerging Isle of Wight Regeneration Strategy** and draft Island Planning Strategy) level.

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1 <https://www.iow.gov.uk/Residents/Environment-Planning-and-Waste/Planning-Policy-new/Brownfield-Land-Register/Introductio18>

- 5.11 Matching the supply and demand evidence was the starting point of identifying spatial options for development. The consideration of those options moving forward were then shaped by a range of established factors such as:
- Protected landscapes, such as the AONB
  - Topography
  - Flood risk
  - Historic settlement patterns
- 5.12 An important consideration in this process is also the relationship between the location of new housing and existing (and new) employment provision. The **Employment Land Study** helps the council understand the existing provision and the likely future requirements.
- 5.13 Bringing this information together enabled a number of realistic spatial options to be tested through the **Sustainability Appraisal**, and these were:
1. Use existing settlement hierarchy to distribute increased quantum of growth proportionately
  2. Use an alternative pattern of distribution to existing settlement hierarchy
  3. Plan for new settlement(s)
  4. Increase density/ site yield, focus on infill and brownfield, do not allow development beyond existing settlement boundaries.

### How the policy contributes to addressing the issues

- 5.14 The draft policy supports development and growth in the most sustainable locations on the Island. It recognises that whilst continuing with extensions to existing settlements has to continue to enable the council to plan positively and meet objectively assessed housing needs.
- 5.15 However, the policy approach has evolved to reduce the pressures on the key existing settlements. It proposes a 'new' tier in the settlement hierarchy, which are settlements where planned-for well managed growth can improve the sustainability of existing settlements which hadn't previously been considered in such a way. The approach does not propose to introduce settlement boundaries in these instances, and therefore the approach does not support the principle of further residential development outside of those sites proposed for allocation.
- 5.16 Even introducing this new tier would not by itself enable the council to meet its requirements and balance against the potential impacts on existing settlements. Therefore the draft Island Planning Strategy proposes two areas of search for new garden communities. It is considered that to achieve different outcomes we need to plan for delivery and growth in a different way.

## The issues faced

- 6.1 The planning practice guidance sets out plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure) <sup>(2)</sup>.
- 6.2 Development economics on the Isle of Wight are slightly different to those on the mainland. There are higher costs associated with transporting building materials to the Island, and due to a lack of indigenous skills the need to bring the skilled tradesman down to the Island and accomodating them. There are also lower values on the Island compared to the mainland, which means very often when making a decision to invest between a site on the mainland or on the Island the Island is not an appealing option.
- 6.3 There is also an issue on the Island where landowners often have unrealistic expectations around land values and what they might receive financially by selling their land for development. This then squeezes what the development can deliver in terms of the policy asks. By providing certainty over the policy asks of new development, it is expected that more realistic land values will be established.
- 6.4 The council currently collects planning obligations (developer contributions) through legal agreements such as section 106 agreements and section 278 highways agreements. The council did employ consultants to investigate introducing the community infrastructure levy (CIL) in 2013, but it was concluded at that time that the benefits of CIL were marginal in the Island context and it was not taken forward. The introduction of the Island Planning Strategy provides a timely opportunity to review this situation, to understand whether CIL may now be appropriate.

## The evidence used

- 6.5 The evidence used to support the specific requirements set out in the draft policy, such as affordable housing and SPA mitigation payments, are set out under the specific policies in the relevant background documents.
- 6.6 The council commissioned the University of Portsmouth to investigate the impact of the separation between the Island and the mainland. The **Impact of Physical Separation from the UK Mainland on Isle of Wight Public Service Delivery** looks at this issue in a wider sense, but does identify the knock-on effect of dislocation on the cost and viability of development projects on the Island.
- 6.7 Looking at the specific issue of local plan viability and thinking about specific draft policies, the council commissioned Aspinell Verdi to undertake a **Plan Viability Study**. It concluded that generally speaking the proposed policy asks were viable, although depending upon the type of site (brownfield or greenfield) and the scale of development, there is likely to be some sites that are more marginal.

## How the policy contributes to addressing the issues

- 6.8 By providing certainty over the policy asks of new development, it is expected that more realistic land values will be established which in turn will help with land availability and the delivery of sites.
- 6.9 Draft policy PSDG5 sets out how the council will consider viability and the options that may be available to achieve delivery. It also makes it clear that any financial appraisal submitted will be made publicly available and that applicants will be responsible for funding any assessments required by the council of their submitted financial appraisal.
- 6.10 It is possible that the council will re-evaluate whether it is appropriate to introduce CIL as a

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2 Paragraph: 001 Reference ID: 10-001-20180724

mechanism to help fund and deliver infrastructure. Should this happen, it can be undertaken outside of the process required for the Island Planning Strategy.

### The issues faced

- 7.1 The Government is clear at a national level that housing delivery is crucial. It has also recognised that the build out of planning permissions plays an important part in this.
- 7.2 On the Island the council's annual monitoring reports have identified that, despite permissions being granted for housing developments, these have not been built out in the same numbers. Whilst it is recognised that there will generally always be a lower 'conversion rate' from permissions to completed dwellings, the council considers that it should be improved on the Island. Improving the conversion rate will allow the council to plan more accurately for future need and provide residents with greater levels of certainty over the location, scale and timescales of future growth of their communities.

### The evidence used

- 7.3 The council's planning **monitoring reports** cover the issues of permissions granted and dwellings completed, and there is further commentary on this issue in the **Five Year Land Supply** paper.
- 7.4 At the national level the **Housing White Paper: Fixing our broken housing market**, the **Government's response to the Housing White Paper** and **Independent Review of Build Out Final Report** by Sir Oliver Letwin all recognises the issues. However, the recommendations, particularly in relation to the Letwin Review focus solutions on large sites of 1500 or more, which are generally larger than we see on the Island.

### How the policy contributes to addressing the issues

- 7.5 The council wishes to see delivery. The draft policy seeks to be clear that when applications where planning permission has previously been granted but has expired, or is soon to expire the council will not approve the application. It also lays down the marker that once all reasonable efforts have been made to ensure the build-out on stalled sites, the council will actively use the compulsory purchase powers available to it.
- 7.6 It also gives the council's commitment to consider the track record of the applicant and/ or agent of delivering similar schemes and also whether the use of a condition requiring development to begin within a timescale shorter than the relevant default position would be appropriate.