

## READING BOROUGH COUNCIL

### REPORT BY EXECUTIVE DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

<b>TO:</b>	<b>POLICY COMMITTEE</b>		
<b>DATE:</b>	<b>10 JUNE 2019</b>		
<b>TITLE:</b>	<b>MAIN MODIFICATIONS TO THE LOCAL PLAN</b>		
<b>LEAD COUNCILLOR:</b>	<b>COUNCILLOR PAGE</b>	<b>PORTFOLIO:</b>	<b>STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT</b>
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#### 1. EXECUTIVE SUMMARY

- 1.1 The Council is replacing its existing development plans (the Core Strategy, Reading Central Area Action Plan and Sites and Detailed Policies Document) with a new single Local Plan to set out how Reading will develop up to 2036. Three consultations have been undertaken on this Local Plan between 2016 and 2018. The Local Plan was submitted to the Secretary of State on 29<sup>th</sup> March 2018, which marked the beginning of a public examination held by an independent Planning Inspector, including public hearings in September and October 2018.
- 1.2 The Inspector has identified a number of main modifications that are needed to make sure that the plan is sound and legally compliant. These main modifications need to be subject to consultation, and a proposed consultation document is set out in Appendix 1, alongside a Sustainability Appraisal (Appendix 2) which assesses the environmental, social and economic effects of the modifications. The Inspector can then incorporate these main modifications in the final inspector's report.

#### 2. RECOMMENDED ACTION

- 2.1 That Committee resolves to make a formal request to the Inspector that she recommend 'main modifications' to the Local Plan.
- 2.2 That the Main Modifications to the Local Plan and Proposals Map (Appendix 1) be approved.

**2.3 That community involvement on the Main Modifications to the Local Plan and Proposals Map (Appendix 1), together with the accompanying Sustainability Appraisal (Appendix 2) be authorised.**

### **3. POLICY CONTEXT**

3.1 The Local Plan sets out the planning policies for an area and is the main consideration in deciding planning applications. The existing local plan for Reading, previously referred to as the Local Development Framework, currently consists of three documents - the Core Strategy (adopted 2008, amended 2015), Reading Central Area Action Plan (adopted 2009) and Sites and Detailed Policies Document (adopted 2012, amended 2015).

3.2 Various changes have meant the need to review the Local Plan. In particular, the publication of the National Planning Policy Framework (NPPF) in 2012 (amended again in 2018) meant significant changes, in particular the need for local planning authorities to identify their 'objectively assessed development needs' and provide for them. The need to review the local plan as a single, comprehensive document was identified in a Local Development Scheme, which is the programme for producing planning policy documents, the latest version of which was agreed by Strategic Environment, Planning and Transport Committee on 23<sup>rd</sup> November 2016 (Minute 15 refers).

### **4. THE PROPOSAL**

#### **(a) Current Position**

4.1 The first stage of preparing the Local Plan was consultation on Issues and Options. An Issues and Options for the Local Plan document was approved by Strategic Environment, Planning and Transport Committee on 24<sup>th</sup> November 2015 (Minute 22 refers), and consultation was carried out between January and March 2016. The second stage was production of a full Draft Local Plan and Proposals Map for consultation. The Drafts were approved by Strategic Environment, Planning and Transport Committee on 4<sup>th</sup> April 2017 (Minute 26 refers), and consultation was carried out during May and June 2017. The third stage was a Pre-Submission Draft Local Plan and Proposals Map, which was approved by Strategic Environment, Planning and Transport Committee on 22<sup>nd</sup> November 2017 (Minute 14 refers), and consultation on which was carried out between November 2017 and January 2018.

4.2 After consultation on the Pre-Submission Draft Local Plan, the Council submitted the Local Plan to the Secretary of State on 29<sup>th</sup> March 2018. Submission of a Local Plan document marks the beginning of a public examination, during which an independent Inspector considers whether the plan is sound, legally compliant and fulfils the duty to co-operate. The Planning Inspector appointed to examine the Local Plan was Louise

Gibbons, who set the programme, procedure and main issues for the examination.

- 4.3 The main focus of the examination was a set of public hearings held between 25th September and 5th October 2018 in the Town Hall, in which Council officers and those invited to take part spoke to discuss the soundness and legal compliance of the plan. A report on the examination hearings, including additional information requested by the Inspector, was considered at Strategic Environment, Planning and Transport Committee on 21<sup>st</sup> November 2018 (Minute 23 refers).
- 4.4 The Inspector's final report will present her conclusions on the Local Plan in full. However, before that report can be produced, the Inspector has identified a list of instances where 'main modifications' are required. Main modifications are those changes that affect the direction or interpretation of policy, and therefore require an additional consultation stage. It is not surprising that main modifications have been identified, as they are now regularly required by Inspectors.
- 4.5 Most of these main modifications were identified during the hearings themselves, and officers have been in communication with the Inspector since the hearings about the wording required. However, in March 2019, the Inspector produced Post-Hearing Advice (available on the Council's website<sup>1</sup>), which raised a number of more significant changes. These included the need for: changes to the housing numbers in policy H1; a further flexibility on density in policy H2; alterations to the build-to-rent policy H4; removal of reference to securing affordable housing from employment development (policy CC9/EM1); and changes to the Reading Golf Club allocation in CA1b. Most significantly, the Inspector considered that the evidence to support securing affordable housing contributions from developments of less than 10 dwellings in policy H3 was insufficient, and asked the Council to either provide further justification or remove this requirement.
- 4.6 The Council therefore produced additional evidence on affordable housing contributions from small sites showing that it is an important element of funding new affordable housing, and that it did not represent an unreasonable burden for developers. This was provided on 1<sup>st</sup> May, and is available on the Council's website<sup>2</sup>. On 10<sup>th</sup> May, the Inspector responded to say that she was satisfied that the approach of seeking affordable housing contributions from small sites was justified, but that developers should provide a financial contribution rather than on-site homes on sites of 5-9 dwellings, and that there should be additional text to ensure that the administrative burden in demonstrating a viability case for a reduced contribution should be eased on smaller sites.

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<sup>1</sup> [http://www.reading.gov.uk/media/10054/EI014-Post-Hearing-Advice--Additional-Main-Modifications-and-Related-Matters/pdf/EI014\\_Post\\_Hearing\\_Advice\\_Note\\_March\\_2019.pdf](http://www.reading.gov.uk/media/10054/EI014-Post-Hearing-Advice--Additional-Main-Modifications-and-Related-Matters/pdf/EI014_Post_Hearing_Advice_Note_March_2019.pdf)

<sup>2</sup> [http://www.reading.gov.uk/media/10188/EC043-Additional-Justification-on-Policy-H3-on-Small-Site-Affordable-Housing-May-2019/pdf/EC043\\_Additional\\_Justification\\_on\\_Policy\\_H3\\_on\\_Small\\_Site\\_Affordable\\_Housing\\_May\\_2019.pdf](http://www.reading.gov.uk/media/10188/EC043-Additional-Justification-on-Policy-H3-on-Small-Site-Affordable-Housing-May-2019/pdf/EC043_Additional_Justification_on_Policy_H3_on_Small_Site_Affordable_Housing_May_2019.pdf)

4.7 Whilst the Inspector has identified the modifications that would be necessary to make the plan sound, she cannot consider such modifications unless the Council makes a formal request to recommend modifications. It is for the Council to consult on these modifications. Without these main modifications, the Inspector has clarified that the Local Plan will not be found 'sound' and/or legally compliant, and cannot be adopted.

4.8 A schedule of main modifications is included within the proposed consultation document in Appendix 1, including all modifications referred to in paragraphs 4.5 to 4.7. Many of these represent quite small changes to wording, but there are some more significant changes that are summarised below.

- Alterations to policy CC1 on the presumption in favour of sustainable development to bring it in line with the July 2018 version of the National Planning Policy Framework (MM1);
- Addition of wording in policy EN1 on the historic environment to reflect Historic England's view that there should be more specific reference to listed buildings and historic parks and gardens (MM6);
- Removal of the policy approach in CC9 and EM1 that seeks financial contributions towards affordable housing from major office developments. This has been part of the Council's policy for many years, but the Inspector considered it was not justified (MM5, MM15);
- Changes to the overall housing provision targets in policy H1 to take account of more recent information on completions, permissions and changes to site allocations, raising the annual housing target from 671 to 689, including consequential changes to the monitoring and implementation sections and the housing trajectory (MM17);
- Additional wording in policy H2 on density and mix to emphasise that the dwelling ranges included in the site allocations policies are not hard and fast limits, but are intended to be indicative (MM18);
- Changes to policy H3 on affordable housing to require off-site financial contributions for sites of 5-9 dwellings rather than on-site provision, and also to make clear that applicants for sites of less than 10 dwellings will have to submit more light-touch information to support viability arguments to reduce affordable housing contributions than applicants for larger sites (MM19);
- A reference in the supporting text to H3 to most up-to-date information on the needs for different affordable housing tenures (MM19);

- Changes to policy H4 on build-to-rent developments (a new type of development, the first of which at Napier Road is currently under construction) to ensure that the minimum term in which the development must be in single ownership is 20 rather than 30 years, and to also state that compliance with the Council's Rent with Confidence standards is voluntary (MM20);
- Various changes to the supporting text to policy H12 on student accommodation, in agreement with the University of Reading, to reflect the most up-to-date information on existing need for student accommodation (MM22, MM63, MM65);
- A change to policy RL3 on district and local centres, to set out how the approach of that policy, which hinges on controlling existing frontages, would be applied in a case where a centre was wholly or partly redeveloped (MM29);
- An uplift in the dwelling ranges specified for CR12b (Great Knollys Street and Weldale Street) and CR13c (Forbury Business Park and Kenavon Drive). In the case of CR12b, this simply reflects the planning permission at Weldale Street granted since the Local Plan was submitted. In the case of CR13c, the uplift better reflects what has been achieved on adjacent sites in Kenavon Drive (MM43 and MM47);
- Deletion of policy WR4, which identified a site at Cow Lane for traveller transit provision, which is a change requested by the Council in line with the decision not to proceed with this proposal, made by this committee on 11<sup>th</sup> June 2018 (MM57);
- A change to CA1a (Reading University Boat Club) to allow for the boat club to be retained as part of a development (MM58);
- Changes to CA1b (part of Reading Golf Club) to reflect a more flexible approach to how future golf provision of the remaining land would be secured, and to be clearer on requirements such as healthcare, vehicular access and parking (MM59); and
- Recognition within ER1c (land rear of 8-26 Redlands Road) that the northern part of the site, already in use as student accommodation, can continue to accommodate student accommodation or university uses (MM64).

4.9 At this stage, it appears likely that the Inspector will consider those elements of the Local Plan not covered by the main modifications to be sound. This includes a number of areas where the Council's policy is changing, including the new sustainability requirements such as the introduction of zero carbon homes. However, although not currently anticipated, an Inspector can, at any time before a final report is prepared, identify further main modifications, in which case an

additional period of consultation would need to be undertaken. It is also possible, although unlikely, that this could lead to limited additional hearings, or further information requests.

- 4.10 The Council has scope to make more minor changes to the Local Plan that do not affect soundness, without being recommended by the Inspector or undertaking consultation. These would be small updates, correction of errors or changes for the sake of consistency. These will be reflected in the final version of the Local Plan for adoption.
- 4.11 In addition to consultation, the main modifications also need to be subject to a Sustainability Appraisal to consider the environmental, social and economic impacts of the proposals. This is included as Appendix 2. A full Sustainability Appraisal of the Pre-Submission Draft Local Plan in November 2017 looked at all of the policies in the plan, and this addendum considers only whether the main modifications would have implications for the appraisal that has already been carried out. In the majority of cases, the very limited modifications would mean little change from the existing appraisal. This Sustainability Appraisal addendum also needs to be subject to consultation.
- 4.12 The consultation on main modifications will last for six weeks, and is planned to finish on Wednesday 24<sup>th</sup> July 2019. Following this, the consultation representations will be passed to the Inspector.
- 4.13 The following stage will be that the Inspector will produce a final report on the soundness and legal compliance of the Local Plan, incorporating the main modifications. If the plan is found sound and legally compliant, it can then proceed to adoption. If not, the Council will need to reconsider its approach, and prepare a new version. Discussions with the Inspector have indicated that a final report could be expected in September 2019, which, if found sound and legally compliant, would mean formal adoption at full Council in October.

(b) Option Proposed

- 4.14 Committee is recommended to accept the main modifications suggested by the Inspector and agree the detailed wording and proposals map changes set out in Appendix 1, and to publish those main modifications for a six-week period of consultation, alongside the Sustainability Appraisal in Appendix 2.

(c) Other Options Considered

- 4.15 There are two alternative options to the proposed option above. They are: (i) to not accept some or all of the identified main modifications to the Local Plan; and (ii) to suggest different or more wide-ranging modifications, beyond those required for soundness.
- 4.16 The result of option (i), to not request some or all of the identified main modifications to the Local Plan, would be that the Inspector would almost certainly find the plan unsound. This would mean that it could

not be adopted. In this case, the Council would need to either go back to the Pre-Submission stage, meaning needing to go through the consultation, submission and examination processes again, or to not proceed with the Local Plan in its current form at all.

- 4.17 This option is not considered appropriate, as it would result in reliance on policies in existing development plan documents that are, in some cases, out of date. This would include housing provision figures, which would mean that housing development proposals in Reading would need to be considered in the context of the ‘presumption in favour of sustainable development’ in national policy until a new Local Plan would be adopted. It would become extremely difficult to resist inappropriate development, and could result in planning by appeal. It would also mean that the opportunity to introduce new policy requirements on key matters such as sustainable design and construction would be lost.
- 4.18 A return to a Pre-Submission Local Plan would also have very significant resource implications, not just in terms of the time and cost of producing and examining the Local Plan itself, but also the need to undertake costly updates of key pieces of evidence.
- 4.19 Option (ii), to suggest different or more wide-ranging modifications would carry the significant risk of the Inspector needing to re-open the Examination. As well as the resource and time implications of more sitting days, it would also be far from guaranteed that different proposed modifications would be considered sound, and it could cause further delays to the process through, potentially, prompting additional main modifications from the Inspector or a finding of unsoundness. This would leave the Council without an up-to-date comprehensive policy framework for a potentially substantial period of time.

## **5. CONTRIBUTION TO STRATEGIC AIMS**

- 5.1 The Local Plan, through setting out the way Reading will develop to 2036, will contribute to the following priorities in the Corporate Plan 2018-21:
- Securing the economic success of Reading;
  - Improving access to decent housing to meet local needs;
  - Keeping Reading’s environment clean, green and safe;
  - Promoting great education, leisure and cultural opportunities for people in Reading.

## **6. COMMUNITY ENGAGEMENT AND INFORMATION**

- 6.1 ‘Main modifications’ are those that would require additional consultation. A further six-week period of consultation is therefore required, which will be carried out in line with the Statement of Community Involvement (adopted March 2014), as for previous Local Plan consultations. The consultation would be focused on the main modifications only, not the remainder of the Local Plan. The consultation period is proposed to last from Wednesday 12<sup>th</sup> June to

Wednesday 24<sup>th</sup> July. As this is an extremely focussed consultation, no consultation events are planned.

## **7. EQUALITY ASSESSMENT**

- 7.1 The Sustainability Appraisal of the Main Modifications for the Local Plan incorporates the requirement to carry out a screening stage of an Equality Impact Assessment. A full Sustainability Appraisal that examined the effects of each policy and development site within the plan was submitted alongside the Local Plan on 29<sup>th</sup> March 2018<sup>3</sup>, and the Sustainability Appraisal addendum attached at Appendix 2 deals only with the implications of the proposed modifications. Neither of these documents identified any significant adverse impacts on specific groups due to race, gender, disability, sexual orientation, age or religious belief.

## **8. LEGAL IMPLICATIONS**

- 8.1 Local plans are produced under the Planning and Compulsory Purchase Act 2004. Under Section 20 (7C) of the Act, an Inspector can recommend main modifications, but only if requested to do so by the local authority. The process for producing local plans is set out in the Town and Country Planning (Local Planning) (England) Regulations 2012. Regulations 23, 24 and 25 concern the process for examination of a Local Plan and publication of an Inspector's Report.

## **9 FINANCIAL IMPLICATIONS**

- 9.1 Production of the Local Plan prior to examination stage has been carried out within existing planning budgets. The holding of an examination is a significant cost to the Council and the full scale of the cost will only become known once the Inspector's Report has been issued and the Planning Inspectorate provides an invoice. The costs associated with the proposed consultation on main modifications will be very limited, and will be met from existing budgets.

### Value for Money (VFM)

- 9.2 The preparation of a local plan ensures that developments are appropriate to their area, that significant effects are mitigated, that contributions are made to local infrastructure, and that there are no significant environmental, social and economic effects. Robust policies will also reduce the likelihood of planning by appeal, which can result in the Council losing control over the form of some development, as well as significant financial implications. Production of the local plan, in line with legislation, national policy and best practice, therefore represents good value for money.

### Risk Assessment

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<sup>3</sup> [http://www.reading.gov.uk/media/8050/Sustainability-Appraisal-of-the-Presubmission-Local-Plan-1117/pdf/Sustainability\\_Appraisal\\_of\\_the\\_Presubmission\\_Local\\_Plan\\_1117.pdf](http://www.reading.gov.uk/media/8050/Sustainability-Appraisal-of-the-Presubmission-Local-Plan-1117/pdf/Sustainability_Appraisal_of_the_Presubmission_Local_Plan_1117.pdf)

9.3 There are no direct financial risks associated with the report.

#### **BACKGROUND PAPERS**

- Planning and Compulsory Purchase Act 2004
- Localism Act 2011
- The Town and Country Planning (Local Planning) (England) Regulations 2012
- National Planning Policy Framework
- Local Development Scheme, November 2016
- Submission Draft Local Plan, March 2018
- Inspector's Post-Hearing Advice, March 2019
- Additional Justification on Policy H3 on Small Site Affordable Housing, May 2019
- A wide range of evidence on various matters available on [www.reading.gov.uk/localplanexamination](http://www.reading.gov.uk/localplanexamination)