

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the council's definition and has been included in the relevant Forward Plan

**Report of the Place
Executive Director**

Local Plan Examination – Modifications and Additional Sites Consultation

1. Purpose of report

- 1.1 The purpose of this report is to update members on the Local Plan Examination and to seek authority to consult on modifications to the plan. This includes modifications already put forward when the plan was submitted and those arising from discussions during the stage 1 and stage 2 hearing sessions. Further modifications are also necessary in order to address the issues identified in the Inspectors Interim Findings (see Appendix 1) and this may include new housing site allocations.
- 1.2 The report also seeks authority to embark on an update of the Council's Jobs and Business Plan and Housing Strategy, which are over 3 years old and are now in need of an update to reflect the work undertaken since the Local Plan was originally consulted on in 2014.

2. Recommendations

- 2.1. **That the Jobs and Business Plan and Housing Strategy are reviewed and updated to align with the Local Plan (as modified).**
- 2.2 **That, subject to the outcome of the Sustainability Appraisal, the total number of jobs provided for during the Local Plan period is modified to approximately 28,840, including around 16,920 net additional jobs.**
- 2.3 **That, subject to the outcome of the Sustainability Appraisal, the objectively assessed housing need figure is a maximum of 1,134 dwellings per year based on the Policy On Employment-Led CR Sens Scenario in the Barnsley Demographic Forecasts October 2017 Report by Edge Analytics.**
- 2.4 **That for the remainder of the examination, authority is delegated to the Head of Planning and Building Control, in consultation with the Cabinet Spokesperson for Place, to agree to main modifications and associated consultation, including those requested by the Inspector at stages 1 and 2 of the examination, any further main modifications arising following the stage 3 hearings and in response to the Inspector's Interim Findings. This will include additional site allocations, changes to existing site allocations if required and any further changes to the figures in recommendations 2.2 and 2.3 if requested by the Inspector.**

2.5 That, subject to the Inspector agreeing, consultation on modifications to the plan, including any additional site allocations, begins in January 2018 for a period of 6 weeks.

2.6 That approval is given to extend the Programme Officer Post to the end of July 2018.

3. Introduction

3.1 The Local Plan was submitted for examination on 23rd December 2016. Following this the Inspector set out that the examination would proceed in three stages with indicative dates for each stage being May, July and October this year. In order to allow for a consultation on modifications to the plan following the October hearings it was assumed that adoption of the plan would occur around spring 2018 at the earliest.

3.2 In accordance with the indicative programme, the first hearings took place in May this year. Those hearings related to whether or not the plan was legally compliant and if the Council had satisfied the Duty to Co-operate. Our approaches to calculating the objectively assessed need for employment and housing were also explored at Stage 1.

3.3 In July Stage 2 hearings were held which covered a number of matters including our overall spatial strategy (i.e. the areas where development should be focused), our approach to reviewing the Green Belt, transportation matters, retail and town centre policies and all the environmental policies (e.g. climate change, biodiversity, historic environment). Following the stage 2 hearings the Inspector confirmed the dates for stage 3 and matters to be discussed but also indicated she would issue a report setting out her interim findings. This report was received in August and included a number of positive endorsements but also set out a number of issues that need addressing if the plan is to be found sound.

3.4 In these circumstances the Inspector will need to be satisfied that the modifications proposed will not be so significant or extensive that they would amount to a complete re-writing of the plan. It therefore follows that the objective should be to address soundness issues without significant or extensive changes and where possible favour an option that produces the fewest changes to the submitted version of the plan.

3.5 The Stage 3 Hearings took place in October and largely focussed on the site allocations within the plan, the methodologies used to inform the choice of sites, the housing densities that have been applied as well as the various Development Management policies. Some modifications were discussed during the hearing sessions in addition to those agreed previously. Some were of significance but the majority were to provide more clarity or update text to reflect changes that have occurred since the plan was submitted for examination. Although good progress appears to have been made, we were not able to complete discussion in relation to one of the mixed use sites (MU1) and so stage 3 was adjourned and will be reconvened in early December. However, we do not anticipate it changing our overall programme.

- 3.6 Importantly, following the stage 3 hearings, the Inspector has confirmed that our approach to housing densities is justified. This is highly significant as many representors had argued for a lower figure, which would have meant identifying further sites above and beyond those that will need to be included to address the interim findings and to replace the capacity that has been lost on some sites due to constraints or sites no longer being capable of delivering in full during the plan period.

4. The Inspector's Interim Findings

- 4.1 In terms of the positives the Inspector's Interim Findings letter, subject to review at the end of the examination, confirms the following:
- The Local Plan is legally compliant based on information received to date
 - The Duty to Co-operate has been satisfied
 - The need for significant jobs growth and the contribution this will make to city region priorities is accepted
 - The methodology for calculating employment land requirements is robust.
 - The spatial strategy appropriately identifies Urban Barnsley and the Principal Towns as the focus for development.
- 4.2 The Inspector's Interim Findings letter is silent on the following matters that were discussed at stage 2:
- Green Belt review,
 - Transportation matters,
 - Retail and town centre policies
 - The various environmental policies (including landscape character, historic environment, former canals, green infrastructure, greenspace, flood risk, urban design, climate change)
- 4.3 The areas of concern within the report include the following:
- There is a mismatch between the level of jobs growth and the objectively assessed housing growth. If we want to retain the number of jobs then the Objectively Assessed Housing Need figure (OAHN) will have to increase from 1,100 to a minimum of 1,389.
 - More positive approach required to planning for villages and need to distinguish between large villages and small villages/hamlets.
 - Exceptional circumstances have not been demonstrated to justify allocating the reserve employment site at Goldthorpe (RSV1).
- 4.4 Some other minor issues were also identified which we are in the process of addressing through modifications. These include only enabling safeguarded land to come forward as part of the plan review and removing the policy relating to wind turbines.

5. Jobs and Business Plan Review & Local Plan Jobs Target

- 5.1 Having reflected on the Inspector's interim findings, to ensure that there is no mismatch between jobs and housing during the plan period, we have carried out a number of pieces of work looking at the options for aligning the objectively assessed employment and housing need. The work undertaken in respect of the jobs target, which is being carried out alongside preparatory work for a further review and update of the Jobs and Business Plan, is detailed in Appendix 2.
- 5.2 This work is leading us to conclude that it is no longer realistic to expect 33,000 more jobs to come about during the plan period. Instead a figure of approximately 28,840 appears more likely although this could reduce if assumptions on displacement and leakage occur. The figure of 28,840 is derived from adding 15,312 net additional jobs into the model for the period 2016/17 to 2032/33 that Mott McDonald estimated could occur based on the likely delivery of the portfolio of employment sites and other known interventions such as the investment in the town centre. When these jobs are added to the baseline assumptions on job creation during that period (i.e. jobs that can be expected to be created without such interventions based on projecting forward past trends) this creates additionality which produces the 28,840 estimate.
- 5.3 Although clearly a reduction, the Jobs and Business Plan (page 53) recognise that it could take 50 years to close the regional performance gap and that this would equate to 26,700 jobs by 2033. As such, a figure of 28,840 or a reduced figure closer to 26,700 would not be in conflict with the Jobs and Business Plan. It is nonetheless considered sensible to commence work updating the Jobs and Business Plan to reflect the Local Plan (as modified). This is because the Local Plan is subject to far greater scrutiny and is the document that will ultimately deliver the land allocations and so the target for job creation in the review of the Jobs and Business Plan should derive from Local Plan evidence which has full regard to market and economic signals, the various constraints and a detailed appraisal of deliverability considerations.
- 5.4 Reducing the jobs figure from 33,000 to a maximum of 28,840 is something that would constitute a "main modification" to the Local Plan and would therefore be subject to public consultation. Before deciding whether or not to pursue a lower figure we need to carry out a further iteration of the Sustainability Appraisal to establish the likely sustainability impacts of pursuing a lower figure, this is particularly so in respect of socio-economic considerations because fewer jobs would theoretically reduce socio-economic benefits. Linked to this, we have also assessed what the implications of a lower figure may be on City Region Aspirations for job creation.
- 5.5 The Sheffield City Region Strategic Economic Plan aims to deliver 70,000 net additional jobs within the City Region by 2024. To date good progress has been made and Barnsley has been a significant contributor in part as a result of bringing forward sites that were originally allocated for employment purposes in the Unitary Development Plan (e.g. Shortwood and Ashroyd

Business Parks, Gateway 36, Tankersley Business Park). When looking at how the 70,000 jobs would be divided between the various authorities a figure of 7,500 was attributed to Barnsley. This figure recognised that Barnsley had potential for significant jobs growth but that lead in times for delivering some of the sites meant that a higher figure would be unrealistic. Reducing the overall jobs target from 33,000 to a maximum of 28,840 will not therefore materially impact on Sheffield City Region aspirations, not least as we are still seeking to retain the same portfolio of employment sites.

- 5.6 In respect of Leeds City Region, the figure in the Strategic Economic Plan, which was refreshed last year, is a more modest 36,000 additional jobs by 2036 for the City Region as a whole. It is therefore unlikely there will be an adverse impact on the achievement of this as a result of the reduction in the total number of additional jobs anticipated in Barnsley by 2033 not least because we are still aiming to create almost 17,000 net additional jobs (including additionality but excluding displacement and leakage). Accordingly, it is considered that Barnsley's contribution to the City Regions in respect of job creation will be largely unaffected by a revised total jobs target but in accordance with the Duty to Co-operate we will be meeting representatives from the City Regions and neighbour authorities to seek their views and hopefully securing their agreement to the revised figure.
- 5.7 Given that the Sustainability Appraisal work is ongoing, in the interests of ensuring that the examination can progress without significant delay, it is proposed to delegate authority to the Head of Planning & Building Control in consultation with the Cabinet Spokesperson for Place to determine the revised jobs figure but at this stage the target is proposed to be approximately 28,840.
- 5.8 Although the jobs figure is certain to come down from 33,000 jobs, unless instructed to do so, we are not proposing to change the portfolio of employment sites or reduce the size of the larger sites to reflect the amount of those sites that we think could come forward in the plan period. This is because we will still require these sites to be delivering jobs beyond the plan period in order to close the job density gap that we anticipate will still exist at the end of the plan period and a margin for choice is considered essential to ensure that towards the end of the plan period there is a sufficient range of sites available to meet specific occupier requirements. In addition, whilst the number of jobs target has reduced, the sectors in B8 use class, in particular logistics, require a greater land take than other B uses. The precise portfolio of employment sites may nonetheless be affected by the outcome of the stage 3 hearings and if this were the case it would constitute another main modification to the plan, which would be decided by the Head of Planning & Building Control in consultation with the Cabinet Spokesperson for Place.

6. Housing Strategy & Local Plan Objectively Assessed Housing Need

- 6.1 It is now well documented that the issue of objectively assessed housing need has been the single most controversial issue for Local Plan examinations due to there being no agreed methodology and associated inadequacies with the National Planning Policy Framework and National Planning Practice

Guidance. In recognition of this the Government has consulted on a standard methodology but, as explained in appendix 3, this is not approved or adopted and therefore carries little weight, especially in areas where authorities are pursuing high levels of employment growth.

- 6.2 At the outset of the examination the Inspector wrote to us highlighting initial concerns about the relationship between our objectively assessed employment and housing need. In response, we commissioned an update to the Strategic Housing Market Assessment which concluded that our Objectively Assessed Need was somewhere between 967 homes per year (based on the Government's Household Projections and an allowance for migration trends) and 1,389, which was based on delivering 33,000 additional jobs growth within the borough by 2033. Based on the Inspector's Interim Findings we will be unable to present our objectively assessed need as a range and to instead use a fixed figure based on a jobs led scenario.
- 6.3 To address the Inspector's concern regarding the mismatch between the number of jobs and the new homes within the Local Plan there are possible options including increasing the objectively assessed housing need to a minimum of 1,389 homes a year, reducing the number of additional jobs anticipated in Barnsley to 2033 to align with the existing housing requirement of 1,100 or potentially a combination of reducing the jobs target and increasing the objectively assessed housing need figure.
- 6.4 In light of our recent work associated with the review of the Jobs and Business Plan, which reflects the market evidence from Mott MacDonald and Colliers and our own work to establish the quantum of jobs likely to be generated in other sectors having regard to the Council and partner interventions, our evidence points to a clear justification for reducing the jobs target from the current figure of 33,000. The reasons for this are set out in Appendix 2 and Appendix 3 also includes a detailed explanation of the implications of this decision on our objectively assessed housing need as well as the reasons why we do not consider that our evidence supports the option of increasing the objectively assessed housing need to a minimum of 1,389 homes per year.
- 6.5 Based on the reasons set out in Appendix 2, it is clear that we have had full regard to relevant market and economic signals when deciding that we should reduce the jobs target from 33,000 and in turn, as explained in Appendix 3, we propose to align the objectively assessed housing need with this target (the jobs led scenario) so that we are having full regard for jobs growth within the plan period. Accordingly, it is recommended that the objectively assessed housing need for the borough is a single figure which is a maximum of 1,134 homes per year.
- 6.6 Given that this figure represents an increase of 34 homes a year or 646 homes over the plan period it is likely that we will need to identify new housing site allocations. This is reinforced by the fact that some of the existing site allocations will not deliver in full during the plan period or can no longer accommodate as much development as we originally envisaged. As such, we

are currently looking to identify possible sources of supply in Urban Barnsley and the Principal Towns as well as the sites we will need around the villages. Appendix 5 sets out how we are intending to go about this.

7. Housing in and around Villages

- 7.1 When the Core Strategy was adopted in 2011 it sought to distribute 1,000 new homes in “other settlements” during the period 2008-2026. This amounted to 5% of the overall new homes that we were seeking to distribute during the plan period and reflected the fact that planning permission had already been granted for approximately 500 new homes. Within the Local Plan, 680 new homes are earmarked for “other settlements” but this figure only reflects the planning permissions granted in these settlements since the start of the plan period. This works out at 3.2% of the total number of homes proposed in the Local Plan and as a proportion this represents a reduction from the Core Strategy.
- 7.2 The reason for this decision was that sites in villages were not deemed to be as sustainable as the sites we had identified around Urban Barnsley and the Principal Towns. Certainly, villages in the east of the borough were not considered to be remote and in need of development to sustain local services given their proximity to the Principal Towns and the same can be said of a number of the villages to the west (e.g. Thurlstone and Oxspring). It is also important to note that throughout the plan preparation process no Parish Council or agency representing the villages expressed any fears that their communities required specific housing sites in order to counter decline.
- 7.3 In her Interim Findings the Inspector considers that the approach in the plan to housing in the villages listed in the settlement hierarchy lacks clarity. Her letter suggests that a greater allowance should be made for housing provision in villages. Using the 5% figure that was deemed appropriate when the Core Strategy was adopted would mean that the total number of homes attributed to other settlements would have to increase from 680 to 1047 homes (i.e. an increase of 367). A figure such as this does mean that some additional housing allocations would be required and it may be that the figure increased further if the overall housing requirement were to increase and/or there was insufficient capacity in the other settlements to accommodate that increase. However, any additional housing allocations will firstly be subject to further Sustainability Appraisal and Habitat Regulations Assessment as appropriate.
- 7.4 We have embarked on pieces of work looking at which villages are most suitable to accommodate some growth and what capacity there is within those villages without having to amend Green Belt boundaries. This includes an update of the village settlement assessments, which was recently published on the examination website (EB184) and site assessment work, which is ongoing. We consider that the level of development required to make a village demonstrably more sustainable would be of such a scale that it would have a substantially adverse impact on the character and appearance of the village, especially smaller villages/hamlets. Accordingly we consider that any new growth should be proportionate in scale to the size of the village and

directed towards the larger and more sustainable villages where existing services could be sustained by the new development rather than seeking to direct development towards the least sustainable, normally smaller, villages in the hope that this will support the provision of new facilities and services. Ideally this could be achieved without the need to amend Green Belt boundaries but, in the event that there is insufficient capacity in the larger villages outside the Green Belt, we are assessing whether there are any parcels of Green Belt around those villages that perform a weaker Green Belt function and may therefore be suitable for release should the need arise.

- 7.5 We are not proposing to identify any sites around villages that are unsustainable or in strongly performing areas of Green Belt unless there are obvious opportunities for infill to create a more defensible boundary and a site performs relatively strongly when assessed against the site selection methodology. Accordingly, if a village has no capacity for housing growth either outside the Green Belt or within an identified resultant parcel (i.e. area of land deemed to be performing a weaker Green Belt function/purpose) it is unlikely we will propose to identify a housing allocation. We will nonetheless include a modest windfall allowance within the plan period to support further growth in the villages over and above that associated with the proposed site allocations. This is in recognition of past trends and the fact that the plan includes a rural exceptions policy to support, in particular, delivery of affordable housing in and around villages.
- 7.3 Based on the above, it is inevitable that there will be a main modification to the plan to attributing a greater proportion of the housing requirement to the villages. The decision on how to do this will be informed by various pieces of work which are currently ongoing, including housing site assessments and a sustainability appraisal. Accordingly, it is recommended that the decision on the necessary modifications and which sites to include as housing allocations is also delegated to the Head of Planning & Building Control in consultation with the Cabinet Spokesperson for Place.

8. Reserve Site at Goldthorpe

- 8.1 The Inspectors' interim findings support the decision taken to allocate around 300 hectares of employment land but, in addition to this, we had identified a reserve site at Goldthorpe of around 100 hectares, which we sought to argue could come forward if a large footloose company came along with a floorspace requirement that could not be met elsewhere in the borough. Regrettably the Inspector does not consider that exceptional circumstances exist to support the sites removal from the Green Belt.
- 8.2 It is considered that there remains a strong sustainability argument based in particular on economic considerations to identify a site of such unique scale within the region to be available over the plan period for take-up by footloose and other large incoming employment users and that if a site of that scale were to come forward it makes sense to be located within the Dearne Valley, which was so badly affected by the demise of the mining industry and is still to fully recover economically. At the latest hearing sessions we suggested that

the policy associated with the reserve site should be amended so that the site could only come forward if the development proposed could not be accommodated elsewhere in Sheffield City Region or failing that in either Leeds or Sheffield City Regions. This amendment was put forward to recognise that if the argument in support of removing the site from the Green belt was to create a site of regional significance then it is not sufficient to merely ask for sites within Barnsley to be discounted. We hope that this modification will be sufficient for the Inspector to change her position but if it is not then we will have no option other than to agree to the site remaining within the Green Belt and for it to be deleted from the plan. It would then have to come forward by way of a planning application which must at the time demonstrate very special circumstances exist to outweigh the harm to the Green Belt and any other harm which it may cause.

9. Consideration of alternative approaches

Mismatch between Jobs and Homes

- 9.1 To address the concern regarding the mismatch between our jobs target and our OAHN one option could be to increase our OAHN to a minimum of 1,389 and this is certainly what representors acting for and on behalf of developers/landowners will be advocating. However there are a number of fundamental issues with this including the following:
- This will require much more land being released from the Green Belt given developers and their agents insistence that it is not possible to drive up densities over and above what the plan proposes and will involve significant delay whilst sites are assessed and consulted on. Moreover, the changes could be considered so significant or extensive that they would amount to a complete re-writing of the plan, this would be particularly so if the overall spatial strategy were to change to focus the additional development in the higher value areas in order to try and deliver a figure of 1,389 homes a year.
 - Consistently delivering 1,389 homes per year is extremely unlikely to be deliverable given historical trends. Even if the plan is found sound, failure to deliver such a level of housing growth will quickly lead to the plan being out of date because we will be unable to demonstrate a 5 year housing supply. In turn, if the plan over-states the housing figure, this will make our employment sites and new safeguarded land vulnerable to planning permission being granted for housing undermining our economic ambitions and the credibility of the Council in respect of plan-making and planning more generally.

Approach to Villages

- 9.2 The alternative to the one suggested is to look to allocate some Green Belt sites within areas that are strongly performing a Green Belt function around either some or all of the villages. This is not considered necessary if, combined with a realistic windfall allowance, we are able to provide sufficient housing in and around the villages by utilising land that was originally proposed to be safeguarded or land within resultant parcels that are not

strongly performing a Green Belt function. In each case too we have sought to ensure that in any recommendations made, full consideration has been given to sustainability, as required by NPPF.

10. Implications for Barnsley

- 10.1 The Local Plan, once adopted, will provide the statutory planning framework for the borough as a whole and will contain planning policies to deal with all issues except waste. At present waste policies are contained in the Joint Waste Plan prepared with Rotherham and Doncaster and adopted in 2012.
- 10.2 Adoption of a Local Plan is essential in order to allow the Council to manage physical development of the borough on behalf of residents and businesses. This includes providing sufficient land in the right places to attract more businesses into the borough and to allow existing businesses to grow. The aim of this is to create more and better jobs in order to improve earnings and increase opportunities for local residents. It also aims to provide improved housing to meet existing need and the needs of future generations whilst at the same time protecting what is special about the borough.

11. Implications for local people / service users

- 11.1 As above, the Local Plan once adopted will provide the statutory planning framework for the borough as a whole and will contain planning policies to deal with all issues except waste. The policies it contains will be used in making decisions on planning applications. Proposed site allocations will affect those people that live in the vicinity of them.

12. Financial implications

- 12.1 Consultation on the financial implications has taken place with colleagues in Financial Services on behalf of the Service Director (S151 Officer) Finance.
- 12.2 Resources have previously been set aside within the Jobs and Business Plan to cover the cost of the submission, examination and adoption of the Local Plan. In light of the Inspector's interim findings, additional consultancy support is being utilised to address some of the issues identified. Further costs will also occur as a result of the consultation on modifications to the plan and the need for a 4th stage of hearings. Resources have previously been set aside to provide further support should the need arise and at present planning fee income is exceeding the budgeted figure resulting in a surplus that can be used to cover additional costs.

13. Employee implications

- 13.1 The report proposes to extend the Programme Officer position for a further 4 months but there are no other employee implications arising as a result of the report.

14. Communications implications

- 14.1 Communications support will be required in preparing and disseminating press releases and dealing with social media. This will be particularly relevant when

the consultation on modifications takes place and when the Inspector issues her final report.

15. Promoting Equality & Diversity and Social Inclusion

- 15.1 There are no direct matters of relevance arising from this report but consultation will be carried out in accordance with the regulations as agreed with the Planning Inspector.

16. Tackling Health Inequalities

- 16.1 There are no direct matters of relevance arising from this report but a Health Impact Assessment has been produced to consider the Local Plan proposals on health.

17. Climate Change & Sustainable Energy Act 2006

- 17.1 In relative terms, the preferred option would have less of an impact on climate change than the alternative of increasing the objectively assessed housing need to 1,389 and aligning the housing requirement to this figure. However, as this isn't seen as being deliverable within the plan period then a direct comparison between the two is somewhat misleading. Nevertheless, a demonstrably more dispersed spatial strategy over and above that contained within the existing Core Strategy which proposed a significantly greater quantum of development being directed to the west of the borough at the expense of regenerating areas that are sustainably located within the accessibility improvement zone could have the potential to increase the plans impact on climate change. This is something that is considered through the ongoing sustainability appraisal process and the examination itself.

18. Risk Management Issues

- 18.1 There is a risk that the Local Plan could be found unsound. In order to reduce this risk provision has been made to commission further robust evidence to address the Inspector's concern.

19. Conservation of Biodiversity

- 19.1 The Habitats Regulations Assessment is being updated as part of the ongoing work to reflect our statutory duty and the emphasis in the NPPF to conserve and enhance biodiversity. The preferred option is likely to reduce biodiversity impact when compared with the option of pursuing a higher level of growth. In addition, the plan as modified will still seeks to protect the areas of high biodiversity value in order to comply with our statutory duty and improve the living standards of the local population.

20. List of Appendices

1. Inspector's Interim Findings
2. Rationale for reviewing and amending the total jobs target
3. Aligning our objectively assessed housing need with the revised jobs target
4. Barnsley Demographic Forecasts October 2017 Report
5. Options for additional housing provision

Office Contact: Joe Jenkinson Telephone No: 2588 Date: 3rd November 2017

Financial Implications / Consultation 27th October 2017
Consultations have taken place with representatives of the Executive Director,
Core Services