
Environment and Communities Committee

Date of Meeting:	1 July 2022
Report Title:	Local Plan Strategy Review
Report of:	Jayne Traverse, Executive Director of Place
Report Reference No:	EC/07/22-23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1.** The purpose of this report is to review the Local Plan Strategy (“LPS”), adopted on 27 July 2017, in accordance with Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 and to conclude whether the LPS needs updating.

2. Executive Summary

- 2.1.** This report reviews the LPS in accordance with Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012, which requires policies in local plans to be reviewed at least every five years. The review assesses whether the LPS needs updating.
- 2.2.** The review has complied with national planning policy on plan reviews in the National Planning Policy Framework (“NPPF”) and associated guidance in the National Planning Practice Guidance (“PPG”) and accordingly considered a range of relevant information. This includes assessing conformity with national planning policy, the performance of the LPS and whether any other changes in circumstances have arisen that warrant an update to the LPS’s policies or undermine the delivery of the LPS.
- 2.3.** The review has found:
- Although the NPPF has been revised on several occasions since the LPS was examined and adopted, most recently in 2021, the LPS remains well aligned with national policy overall. However, there are some aspects of national planning policy that have changed, and which are not reflected in the LPS, most notably the introduction of the standard method for assessing housing needs for planning purposes and the expectation that 25% of all affordable homes provided on development

sites will be First Homes, a specific kind of discounted market sale housing.

- The housing requirement in the LPS (1,800 homes/year) established through evidence prepared around 7 years ago is significantly different to the Local Housing Need for Cheshire East calculated using the standard method (currently 1,070 homes/year).
- The Council maintains a strong supply of deliverable housing land (five-year supply), a healthy overall housing and employment land supply to 2030 and continues to perform well in terms of the Housing Delivery Test.
- Taking into account the results of ongoing LPS policy monitoring within the Authority Monitoring Report (“AMR”), the LPS is generally being successfully implemented. However, between 2010 and 2020, the first half of the Plan period, the net take-up of employment land has been significantly lower than planned. This is in contrast with job growth which, between 2010 and 2019, is reported as being 1.6%/year on average, significantly higher than the 0.7%/year rate upon which the employment land requirement was based.
- There have been changes in two key local circumstances since the adoption of the LPS that indicate an update should be carried out. These are, firstly, HS2, with services to Crewe potentially commencing as early as 2029, and, secondly, the publication of the new Corporate Plan 2021-25 with its increased emphasis on achieving outcomes related to social and environmental well-being. These include the Council’s strong commitment to tackling climate change.

2.4. After considering all relevant aspects of the review it is recommended that an update to the LPS is carried out.

3. Recommendations

3.1. That the Committee consider the findings of the LPS review set out in this report.

3.2. That an update to the LPS is carried out.

3.3. That a further report be brought back to the Committee with a revised Local Development Scheme setting out the timetable for the update.

4. Reasons for Recommendations

4.1. The review has considered a range of relevant information including changes in national policy and other circumstances and has found that an update to the LPS should be carried out.

5. Other Options Considered

5.1. Do not carry out an update of the LPS - This is not a recommended option. Although the review has found that the LPS, overall, remains well aligned with

national planning policy and that, overall, the Plan is generally performing well, there are a number of matters, as set out in this report, indicating that an update to the Plan should be carried out.

- 5.2. Do not carry out a review of the LPS until further information is available about the government's proposed national planning reforms which are likely to have a major bearing on the content of any update and how it is carried out – This is not a recommended option. The Council would be in breach of the legal requirement to carry out a review of the LPS within 5 years of its adoption if this is not carried out before 27 July 2022.

6. Background

- 6.1. The Council has a statutory duty to prepare a local plan and keep it up to date. The Cheshire East Local Plan is being prepared through a number of development plan documents. The LPS is the first part of the Local Plan. It was adopted on 27 July 2017 and contains strategic policies which provide the overall strategy for the sustainable development of the borough to 2030. This includes establishing the amount and location of new housing and employment development as well as allocating strategic sites to help meet these requirements.
- 6.2. The second part to the Local Plan, the Site Allocations and Development Policies Document ("SADPD"), is currently the subject of independent examination. The purpose of the SADPD is to set more detailed, non-strategic policies to guide planning decisions and allocate additional sites for development to assist in meeting the overall development requirements set out in the LPS. The SADPD was submitted for examination to the Secretary of State in April 2021. Ten days of examination hearings took place in October and November last year. Following the receipt of the Inspector's post-hearing comments at the end of January, six weeks' public consultation took place on main modifications to the Plan between 19 April and 31 May 2022. Main modifications are those changes considered necessary by the Inspector to make the plan sound and legally compliant. Subject to the consideration by the examining Inspector of the representations made during the consultation, the next step would be the Council's receipt of the Inspector's Report along with a final list of main modifications. If a decision is made to update the LPS, it is likely that the Inspector will also want to consider whether this has any implications for the SADPD prior to finalising his Report to the Council¹. The receipt of an Inspector's Report that recommends adoption subject to modifications, would then enable the Council to adopt the Plan, incorporating the final main modifications. Once adopted, it would, importantly, provide a comprehensive, up to date and consistent suite of policies that can be applied borough-wide and replace the ageing saved policies in the three legacy borough Local Plans.

¹ If a decision is made accepting the recommendations of this Committee report and to initiate the process of updating the LPS, this would be communicated to the SADPD Inspector. The Council's position would be that a decision to commence an update to the LPS should not affect the content of the SADPD and therefore its progression through the examination process to adoption.

- 6.3.** The third part of the development plan, a Minerals and Waste Plan (“MWP”), is also in preparation covering a different plan period to the LPS and is the subject of a separate report. The MWP includes a mixture of strategic and non-strategic policies. Once adopted, some of these will replace strategic policies in the LPS, notably the LPS policies on minerals (SE10) and waste (SE11).
- 6.4.** Under Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) local planning authorities (“LPAs”) are required to review their local plans within every 5 years from the date of their adoption. This is re-affirmed in NPPF paragraph 33, which advises that policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years and should then be updated as necessary. Reviews should be completed no later than five years from the adoption date of a plan and should take into account changing circumstances affecting the area, or any relevant changes in national policy. Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future.
- 6.5.** PPG advises that local planning authorities must review local plans at least once every 5 years from their adoption date to ensure that policies remain relevant and effectively address the needs of the local community. It adds that most plans are likely to require updating in whole or in part at least every 5 years. Reviews should be proportionate to the issues in hand. There will be occasions where there are significant changes in circumstances which may mean it is necessary to review the relevant strategic policies earlier than the statutory minimum of 5 years, for example, where new cross-boundary matters arise. It advises that “Local housing need will be considered to have changed significantly where a plan has been adopted prior to the standard method being implemented, on the basis of a number that is significantly below the number generated using the standard method...This is to ensure that all housing need is planned for as quickly as reasonably possible”².
- 6.6.** The overall purpose of the review is therefore to ensure that local plans are kept up to date and are responding to changing local needs and circumstances. If the outcome of a review is that a plan update is necessary, the LPA should then update its Local Development Scheme to set out a timetable for when these policy changes will be consulted on and examined. Where an authority reviews a local plan but decides not to update it, they must publish their reasons, in the light of proportionate, relevant and up-to-date evidence.

² Paragraph: 062 Reference ID: 61-062-20190315 <https://www.gov.uk/guidance/plan-making>

- 6.7.** The LPS must be reviewed by 27 July 2022. This report sets out the findings of the review and recommends that the LPS should be updated.
- 6.8.** Although a five-year plan review is a legal requirement, statute does not prescribe how a review should be carried out. Beyond the policy and guidance in the NPPF and PPG identified above, the PPG provides a non-exhaustive list of information, bulleted below, that LPAs can consider when determining whether an update to a local plan should be carried out. Each aspect of the guidance is considered in this report.
- Conformity with national planning policy.
 - Changes to local circumstances such as a change in Local Housing Need.
 - Housing delivery and supply performance.
 - Whether issues have arisen that may impact on the deliverability of key site allocations.
 - Appeals performance.
 - The success of policies against indicators in the Development Plan as set out in their Authority Monitoring Report.
 - The impact of changes to higher tier plans.
 - Plan-making activity by other authorities, such as whether they have identified that they are unable to meet all their housing need³;
 - Significant economic changes that may impact on viability.
 - Whether any new social, environmental or economic priorities may have arisen.

Conformity with national planning policy

- 6.9.** There are aspects of national planning policy that have changed since the adoption of the LPS. The LPS was prepared under the 2012 NPPF. It has subsequently been updated in 2018, 2019 and most recently in 2021. Some of the post 2012 changes are being addressed through the preparation of the SADPD. These include:
- the further emphasis given to the front-loading of viability assessments at a plan-making stage;
 - the need to clearly distinguish between strategic and non-strategic policies;
 - the encouragement to provide greater flexibility between uses to support town centre diversification; and
 - ensuring that new streets are tree-lined.

³ LPAs are also advised to have due regard to the Duty to Co-operate when undertaking a review to assess if policies need updating. The Duty to Cooperate is a legal requirement applying to LPAs when preparing local plans. It requires that councils and public bodies 'engage constructively, actively and on an ongoing basis' regarding strategic cross-boundary matters, for example the provision of strategic infrastructure or the provision of housing where one authority cannot fully meet its own housing needs in its area.

6.10. An assessment of each strategic policy in terms of its consistency with national planning policy has been carried out and is appended to this report. LPS policies are given a green-amber-red rating, based on their degree of consistency:

- Green – Close alignment.
- Amber – Good alignment, however limited amendments could be made to the LPS policy to fully align it with national planning policy, but there is no urgent need for these changes.
- Red – There have been significant changes to national policy that require an update to the LPS policy.

6.11. The assessment has resulted in two policies being rated red:

- Policy PG 1 (Overall Development Strategy) – Although the overall development strategy of the LPS is consistent with the government’s objective to significantly boost the supply of homes (NPPF ¶160), the way in which the requirement for new homes is calculated has changed. The LPS housing requirement reflects the objectively assessed need for housing in the borough (as determined at the time of the evidence base for the LPS). Changes to national planning policy now direct authorities to carry out an assessment of local housing need based on the standard method, unless, by exception, an alternative approach can be fully justified. NPPF paragraph 33 states “Relevant strategic policies will need updating at least once every 5 years if their applicable local housing need figure has changed significantly...”. The LPS housing requirement is 1,800 homes/year which is much higher than the current local housing need for the borough of 1,070 homes/year. This represents a significant change (see also paragraphs 6.14 to 6.25, below).
- Policy SC 5 (Affordable Homes) – There have been a number of changes in the NPPF that would need to be reflected in an update to this policy, most significantly the promotion of First Homes. These are a specific kind of discounted market sale housing falling within the definition of ‘affordable housing’ for planning purposes. They are the government’s preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations. The Written Ministerial Statement that introduced First Homes in May last year highlighted the need for councils to include these requirements in local plans at the earliest opportunity⁴.

6.12. It was announced in May, alongside and complimentary to a range of planning reforms to be brought about by the Levelling Up and Regeneration Bill, that a new NPPF will be drafted and brought into effect in 2024 following public consultation. The proposed reforms would introduce significant changes to the

⁴ <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hcws50>

way in which local plans are prepared in the future, including any update to the LPS⁵.

- 6.13.** The conclusion on this aspect of the guidance is that LPS policies, generally, remain well aligned with national planning policy. However, Policies PG 1 and SC 5 should be updated to bring them into alignment with significant revisions that have been made to national policy. The update could also address any appropriate updates to “amber” rated policies.

Change in Local Housing Need

- 6.14.** As noted above, since the adoption of the LPS, revisions to the NPPF have amended the basis for the calculation of local housing needs, by establishing a ‘standard method’. The standard method is underpinned by national population projections, with an uplift to take account of local housing affordability.
- 6.15.** Paragraph 33 of the NPPF says that:
“Relevant strategic policies will need updating at least every five years if the applicable local housing need figure has changed significantly.”
- 6.16.** PPG further states⁶ that:
“Local housing need will be considered to have changed significantly where a plan has been adopted prior to the standard method being implemented, on the basis of a number that is significantly below the number generated using the standard method.....”
- 6.17.** Conversely to the example given in the PPG, the local housing need figure for Cheshire East is currently 1,070 homes/year which is substantially lower than the housing requirement figure in the LPS of 1,800 homes/year.
- 6.18.** Paragraph 74 of the NPPF says that LPAs should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of 5 years’ worth of housing against:
- their housing requirement set out in adopted strategic policies, or
 - against their local housing need where the strategic policies are more than 5 years old unless these strategic policies have been reviewed and found not to require updating.
- 6.19.** So, a decision to update the housing requirement in the LPS would mean that when the strategic policy becomes more than 5 years old (on 27 July 2022), the local housing need figure would be used to calculate the Council’s deliverable housing supply, pending the preparation of a new housing requirement through an update to the Plan.

⁵ <https://www.gov.uk/government/publications/levelling-up-and-regeneration-further-information>

⁶ Paragraph: 062 Reference ID: 61-062-20190315 <https://www.gov.uk/guidance/plan-making>

- 6.20.** Although PPG only refers to a significant change occurring in circumstances where local housing need is higher than an existing local plan requirement, having regard to PPG as a whole as well as the NPPF, this aspect of the guidance does not mean that a significant change will not have occurred where a housing requirement is substantially higher than local housing need, as in the case of Cheshire East.
- 6.21.** It is considered that having regard to NPPF paragraph 33, and changes of circumstances since the requirement was derived, the LPS housing figure should be updated. NPPF paragraph 61 now says that: “To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance...”. In exceptional circumstances, the NPPF allows for alternative approaches which must also reflect current and future demographic trends and market signals. PPG says⁷ that: “The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.”
- 6.22.** The LPS housing requirement figure of 1,800 homes/year was not derived using the standard method. It was the objectively assessed need for housing which used the 2012-based household projections as its starting point (1,050 homes/year). This was uplifted to 1,800 homes/year to account for:
- 10-year migration trends (+236);
 - market signals: overcrowding, communal housing and vacant/second homes (+180); and
 - employment trends (+334)
- 6.23.** By contrast, the standard method uses the 2014-based household projections. Further, to the extent that the housing requirement was based on other assumptions these are also now around seven years old.
- 6.24.** It should be recognised that although it is considered that local housing needs have changed significantly, Cheshire East’s current figure of 1,070 homes/year is not a proxy for an alternative housing requirement figure that would be prepared through the update process. It would be a matter for the LPS update to determine the final updated requirement and the extent to which an updated housing requirement should differ from the number generated by the standard method. Further, local housing need can go up or down each year in response

⁷ See Paragraph: 010 Reference ID: 2a-010-20201216
<https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#housing-need>. See too NPPF paragraph 61. <https://www.gov.uk/guidance/national-planning-policy-framework>

to changes in the level of local housing affordability. It may also change significantly in the future when more up-to-date household projections are used to calculate it.

- 6.25.** Although the LPS housing requirement supports the government's priority to boost the supply of housing, the conclusion on this aspect of the guidance is that Cheshire East's local housing need figure has changed significantly indicating that relevant strategic policies will need updating.

Housing delivery performance

- 6.26.** Since the adoption of the LPS, housing delivery each year (2018-21) has exceeded the Plan's annual requirement of 1,800 homes. This has had the effect of reducing the shortfall in housing delivery against the Plan requirement accrued during the years before the LPS was adopted. At 31 March 2021 this shortfall stood at 1,741 homes.
- 6.27.** The Housing Delivery Test (HDT) was introduced in 2018 and is a percentage measurement of the number of homes required against the number of net homes delivered, over a rolling three-year period. The HDT result is published annually by the Department for Levelling Up, Housing and Communities. The Council has performed well against the HDT in every year since it was introduced.
- 6.28.** The most recent is the Housing Delivery Test: 2021 Measurement published in January 2021. It reports on the three-year period of 2018/19 – 2020/21. The measurement for Cheshire East is 300%. The result means that:
- no action plan is required to address a deficit in housing delivery;
 - a 5% rather than a 20% buffer is applicable in terms of the calculation of the five-year housing land supply requirement; and
 - the presumption in favour of sustainable development at paragraph 11d of the NPPF is not triggered (for reasons of poor HDT performance)
- 6.29.** The conclusion on this aspect of the guidance is that the LPS remains effective and there is nothing to suggest that the Council's housing delivery performance requires an update to the LPS.

Housing supply performance

- 6.30.** The latest published Housing Monitoring Update (base date 31 March 2021)⁸ shows that Cheshire East has a 6.3 year supply of deliverable housing land, above the required minimum of 5 years. The Council has been able to consistently publish a deliverable housing land supply above 6 years since the adoption of the LPS.
- 6.31.** Council evidence prepared to inform the SADPD confirmed that there is a robust housing land supply overall, giving confidence that the LPS requirement

⁸ See https://www.cheshireeast.gov.uk/planning/spatial-planning/research_and_evidence/strategic_housing_land_assmnt/housing-land-supply.aspx

of 36,000 homes is capable of being delivered in full. 'The provision of housing and employment land and the approach to spatial distribution [ED 05], October 2020', available in the SADPD examination library⁹, identified an overall supply (at 31.3.20) of 41,270 homes (or 40,995 homes without the contribution made by proposed SADPD allocations). This supply comprises completions, commitments, remaining unconsented allocations and a small sites windfall allowance.

- 6.32.** The conclusion on this aspect of the guidance is that the LPS remains effective and there is nothing to suggest that the council's housing supply performance requires an update to the LPS.

Deliverability of key site allocations

- 6.33.** As can be gauged with eight years left of the Plan period to run, key strategic housing site allocations are either coming forward or remain capable of coming forward within the Plan period, albeit not every site may be fully built out by 2030. However, as noted above, the level of housing supply provides flexibility and gives confidence that at least 36,000 homes will be built over the Plan period, 2010 to 2030. The Council regularly monitors housing delivery and supply including the contribution from strategic housing sites¹⁰. Progress with strategic sites is reported in the Authority Monitoring Report¹¹.

- 6.34.** The conclusion on this aspect of the guidance is that the LPS remains effective, and no issues have arisen with the delivery of key site allocations to suggest that an update to strategic policy is necessary.

Appeals performance

- 6.35.** Within appeal decisions no pattern has emerged indicating that particular strategic policies are failing or attracting reduced weight which would point to a need for them to be updated at this stage. This supports the conclusion that LPS policies remain generally well-aligned with national planning policy.

- 6.36.** At the time this Committee report was prepared, the latest data that the Council had published on appeals covered the period January 2020 to March 2021¹². The Council's appeal performance was slightly below the national average;

⁹ https://www.cheshireeast.gov.uk/planning/spatial-planning/cheshire_east_local_plan/site-allocations-and-policies/sadpd-examination/examination-library.aspx

¹⁰ See https://www.cheshireeast.gov.uk/planning/spatial-planning/research_and_evidence/strategic_housing_land_assmnt/housing-land-supply.aspx

¹¹ See the 'Development Plan Sites and Strategic Locations' section https://www.cheshireeast.gov.uk/planning/spatial-planning/cheshire_east_local_plan/authority-monitoring-report/authority-monitoring-report.aspx

¹² See Strategic Planning Board minutes 21 April 2021, Item 111 <https://moderngov.cheshireeast.gov.uk/ecminutes/ieListDocuments.aspx?MIId=8027>

29% of all section 78 appeals were allowed in the reporting period, compared to a national average of 24%.

- 6.37.** Performance has been mixed in terms of the outcome of Gypsy and Traveller appeals. An ongoing issue has been the absence of a 5-year supply of deliverable sites. However, the Council is seeking to address this through the SADPD which makes provision for further sites, including allocations, to meet the needs identified in the Gypsy and Traveller Accommodation Assessment, published in 2018.
- 6.38.** Members will recall the Council's poor appeals performance a number of years ago associated with a lack of a 5 year supply of deliverable housing land and the application of the 'tilted balance' in decision-making. It resulted in a number of unplanned schemes on the edge of towns and villages being permitted in the southern part of the borough outside the Green Belt. This issue has, however, fallen away since the LPS was adopted. The Council's ability in recent years to report a robust 5 year supply underlines the valuable role that the allocation of sites through the LPS plays, and continues to play, in providing a pipeline of housing development opportunities.
- 6.39.** It is also important to note in the context of ongoing appeals performance that the SADPD, once adopted, will provide an up-to-date suite of more detailed development management policies to support clear and robust decision making.
- 6.40.** The conclusion on this aspect of the guidance is that LPS remains effective, and no issues have arisen across planning appeal decisions to suggest that an update to strategic policy is necessary.

Indicators in the Authority Monitoring Report

- 6.41.** The AMR¹³ is published annually and contains information on the extent to which the planning policies set out in the LPS are being achieved. It enables the effects of LPS policies to be monitored transparently and provides evidence to judge whether local plan policies need to be updated. Its monitoring and implementation framework proposes actions where identified triggers indicate that corresponding targets are not being met. These include "consider a review of the relevant policies" (amongst other actions such as working with stakeholders to better manage the delivery of development) in respect of the following triggers: shortfall in housing and affordable housing completions of more than 20% on a rolling three-year average; shortfall of more than a year on five-year housing land supply; net take up of employment land performing less than 20% above a three-year rolling average take up of land; jobs growth rate falling below an average of 0.7% pa; and loss of employment land exceeding a three-year rolling average by more than 20%. The latest published AMR, covering the monitoring year 2019/20, identifies that one trigger was reached -

¹³ https://www.cheshireeast.gov.uk/planning/spatial-planning/cheshire_east_local_plan/authority-monitoring-report/authority-monitoring-report.aspx?msclid=cc8e1a55b5ca11ec90af7605427f901e

for Indicator MF7. This measures the take-up of employment land with a target to exceed the previous three-year average level of take-up by at least 20%. In 2019/20, this increase was 9%. Although this snapshot information is useful, it is perhaps more important to look at performance results over a longer period, and back to 2010, the start of the Plan period. Employment land take-up since 2010 is addressed below, along with a number of other key aspects of the Plan's performance reported in the AMR.

- 6.42.** Affordable housing targets - Evidence supporting the LPS identified that a minimum of 7,100 affordable homes over the Plan period were needed, equating to an annual average of 355 affordable homes/year. Delivery performance is tracked through AMR Indicator MF4 (Gross total of affordable housing units provided). Over the first half of the Plan period, 2010-2020, 4,247 affordable homes have been built, which is 60% of the minimum identified need over the entire plan period 2010-2030.
- 6.43.** Employment land take-up - The LPS established a requirement for 380ha of employment land. This reflected a jobs growth rate of 0.7% each year between 2010 to 2030. The 380ha figure comprises a net employment land requirement of 195ha, an allowance for employment land losses of 120ha over the Plan period (6ha/year) and 20% flexibility to provide for a range and choice of land to meet demand. The take-up of employment land is monitored in the AMR Indicator MF7 (Net take-up of employment land). Annual monitoring indicates that during the first half of the Plan period, just under 20% of the overall net requirement for employment land has been taken up. This level of take-up, in part, may be explained by the fact that the LPS employment allocations only obtained development plan status in 2017, seven years into the Plan period and that during the early part of the Plan period the country was recovering from the recession that took place in 2008 and 2009. The net take-up, by year, is shown in the table below.

Year	Net employment land take-up
2010/11	0.73
2011/12	1.03
2012/13	1.94
2013/14	2.29
2014/15	1.66
2015/16	4.18
2016/17	5.07
2017/18	3.36
2018/19	11.60
2019/20	7.29
Total	38.15

- 6.44.** AMR Indicator PG3 (Employment land available) shows that, at 31 March 2020, there was a healthy employment land supply of 408.55 hectares made up of allocated sites (54%), sites with planning permission (27%) and sites under construction (19%).
- 6.45.** Jobs growth – In contrast to the level of employment land take-up, AMR Indicator PG3 (Net jobs growth rate) identifies that the annual average rate of jobs growth has been 1.6% between 2010 and 2019, exceeding the level of 0.7% growth that the LPS employment land requirement was intended to facilitate. However, the AMR notes that the jobs growth figures are based on the results of a national employment survey, and survey sampling error margins (due to samples of businesses not being completely representative of the whole business population) are much larger for small geographical areas such as local authorities. Nevertheless, the AMR is indicating that the level of jobs growth may be exceeding that forecasted and is being achieved with a lower than expected take-up of employment land.
- 6.46.** Spatial distribution of development – The AMR tracks where new housing development has been constructed and committed through Indicator PG 5 (Housing completions by location since 2010) and PG6 (Location of housing commitments by type). It shows that housing development is generally coming forward in line with the Plan strategy – to steer most housing development to the Principal Towns and Key Service Centres, these being the most sustainable places for growth in the borough. In terms of employment land, this is coming forward at the Principal Towns and Key Service Centres but, as noted above, at a level below the amount planned for. A limited amount of employment land is coming forward at Local Service Centres with a much higher amount at Other Settlements and the Rural Area. The latter is consistent with the Plan strategy and reflects the allocation of 61 hectares of land at LPS 60 ‘Wardle Employment Improvement Area’.
- 6.47.** Infrastructure provision – No new risks have arisen that affect the delivery of key infrastructure or other spatial priorities. The implementation of key highway schemes, which support the development of number of strategic allocations, is tracked through Indicator MF17 (Progress on key highway schemes listed in Policy CO2). These schemes include the Congleton Link Road, Poynton Relief Road and Middlewich Eastern Bypass.
- 6.48.** In summary, the AMR identifies that:
- the LPS has been effective in delivering sufficient affordable housing;
 - development is taking place in line with the Plan’s spatial strategy;
 - employment land take-up has been lower than planned, however there continues to be healthy employment land supply;
 - jobs growth is exceeding the rate forecasted in the Plan (although there is an issue with the reliability of the monitoring figure); and
 - planned highway infrastructure schemes are successfully coming forward or progressing

The conclusion on this aspect of the guidance is that there is no urgent need to update the LPS.

Higher tier plans or plan-making by other authorities

- 6.49.** There are no higher-tier plans that affect the continued implementation of the LPS or warrant an update to strategic policies within the LPS.
- 6.50.** As would be expected, other councils continue to progress their own local plan preparation, however none of this plan-making activity, particularly those authorities adjoining Cheshire East, has given rise to any strategic, cross-boundary matters that would have a material impact on the LPS or indicate that a new or altered strategic policy approach was needed in Cheshire East.
- 6.51.** The conclusion on this aspect of the guidance is that an update the LPS is not required.

Significant economic changes

- 6.52.** The Coronavirus pandemic – The pandemic has had a major impact on many aspects of our lives. It has highlighted the critical role of good design in supporting people’s well-being, including access to open space and the design of new homes. It has driven a change in working patterns for many which may have implications for how new employment and housing development is planned for in the future. The pandemic has also exacerbated changes that were already taking place in shopping patterns, heightening the need to find ways to revitalise and repurpose the high street. As the country emerges from the pandemic the planning implication of any longer-lasting effects will need to be considered in updating strategic policies in due course. However, this issue alone does not point to any urgent need to update LPS policies.
- 6.53.** High Speed 2 - The LPS recognised that HS2 would connect into Crewe, but it was viewed as a long-term opportunity. While some economic benefits were expected to occur in advance of the connection arriving, it was expected that the full impact of HS2 would arise after 2030. Phase 2a of HS2, that will link Fradley in the West Midlands (the northern end of Phase 1) and Crewe, is expected to start operations between 2029 and 2033. Phase 2b of HS2 completes the route through to Manchester from Crewe. It is expected to start operations between 2036 and 2040 and is currently the subject of a hybrid Bill. HS2 will mean that Crewe’s role as a major interchange on the rail network will be substantially elevated. With the possibility of HS2 services to Crewe starting as early as 2029, there is a need to put in place appropriate policies to enable Crewe to fully benefit from the opportunities it will bring.
- 6.54.** Members may recall that the Council progressed a Crewe Hub Area Action Plan (CHAAP) to a pre-submission draft stage in March 2020. However, in November 2021 the Corporate Policy Committee approved the formal withdrawal of the Plan¹⁴. It was considered that circumstances had changed

¹⁴ Policy Review Committee 4th November 2021

<https://moderngov.cheshireeast.gov.uk/ecMinutes/ieListDocuments.aspx?CId=959&MId=8661&Ver=4>

during the pandemic which meant that the proposals outlined in the draft CHAAP were unlikely to be delivered. These circumstances included changes in the commercial development market meaning that investment prospects relating to HS2 were likely to be constrained for several years to come and that the economic growth associated with HS2 would take longer to realise than anticipated before the pandemic. It was also highlighted that, because of a shift in Government investment priorities, including the establishment of the levelling up fund, there was no funding available that could support the Crewe Southern Link Road Bridge, a pivotal component of the transport plan for Central Crewe. An update to the LPS will need to proceed with a clear understanding of what the commercial development market may deliver in Crewe and the transport priorities for the area.

- 6.55.** Development viability – There have been no changes in viability since the adoption of the LPS that would prevent its overall spatial strategy from being realised. Further viability assessment work has been carried out as part of the preparation of the SADPD. The Local Plan Site Allocations and Development Policies Viability Assessment 2020 Update and Refresh¹⁵, prepared by HDH Planning and Development for the Council considers the effect of policy requirements within the SADPD alongside those of the LPS. The HDH Report concludes:

“12.98 ...The CEC area has a vibrant and active property market. All types of residential and non-residential development are coming forward. In the current market, the analysis in this report shows that the Council can be confident that the sites in the emerging SADPD are deliverable when taking into account the full cumulative impact of the policies in the SADPD and the adopted LPS. Further the additional policies in the SADPD are unlikely to prejudice the allocations in the adopted LPS.”

...and...

“12.100 Whilst the non-residential uses are not viable, they are not rendered unviable by the cumulative impact of the Council’s policies, rather by the general market conditions. The employment uses (office and industrial) are coming forward.

12.101 There is uncertainty around the impact of Covid 19 and Brexit on the economy. It is important that the Council monitors these changes as they occur and if necessary, makes any required changes.”

- 6.56.** There is no evidence from planning decisions and appeal decisions that there is any across the board problem in achieving planning policy requirements, including affordable housing, because of viability. There may be schemes

¹⁵ The report is available in the SADPD examination library, reference [ED 52]
<https://www.cheshireeast.gov.uk/planning/spatial-planning/cheshire-east-local-plan/site-allocations-and-policies/sadpd-examination/examination-library.aspx>

where the level of affordable housing is reduced below the expected minimum of 30%, however these cases generally reflect the particular circumstances of individual sites. However, as highlighted in paragraph 6.42 of this report, the number of affordable homes delivered during the first half of the Plan period has exceeded half of the identified need for such homes.

- 6.57.** Engagement with the housing development sector through the course of preparing the Council's annual Housing Monitoring Update has re-affirmed that the housing market in Cheshire East is generally strong and they are able to bring forward housing sites viably.
- 6.58.** The conclusion on this aspect of the guidance is that:
- the long-term effect of the coronavirus pandemic will need to be considered in updating the LPS, however this issue alone would not warrant an immediate update to LPS policies;
 - the prospect of HS2 services reaching Crewe potentially before the end of the current plan period points to the need for an update to the LPS to enable Crewe to fully benefit from the opportunities it will bring; and
 - there have been no changes in viability since the adoption of the LPS that would prevent its overall spatial strategy from being realised.

Changes to social, environmental or economic priorities

- 6.59.** The climate crisis remains the biggest long-term threat facing humanity and it is generally accepted that action to mitigate climate change needs to be increased and accelerated. The Council has established a series of goals through its Environment Strategy and Carbon Neutral Action Plan including the intention for its own operations to be carbon neutral by 2025. In joining the UK 100 Network in January this year, the Council has made a further pledge to make the entire borough carbon neutral by 2045. Planning has an important role to play in tackling climate change and an update to the LPS provides an opportunity to take policies further in this effort, consistent with national planning policy.
- 6.60.** The Council has also published a new Corporate Plan 2021-2025. It sets out a vision for Cheshire East under the headline priorities of 'Open' 'Fair' and 'Green'. It promotes the achievement of sustainable development in terms of environmental, social and economic well-being. Maintaining thriving urban and rural economies remains an important priority, however there is an elevated emphasis on achieving good health and well-being for all its residents and the protection and enhancement of the environment. The latter includes a reinforcement of the Council's commitment to tackle climate change. Although all three strands of sustainable development feature in the LPS's Strategic Priorities, the greater emphasis now given to achieving fairer social and environmental outcomes (whilst acknowledging that these do not exist independently from a thriving economy) should be reflected in any LPS update, including, as noted above, further actions to mitigate climate change.

- 6.61.** The conclusion on this aspect of the guidance is that LPS policies should be updated to more closely reflect the local priorities set out in the Council's latest Corporate Plan 2021-25, specifically the increased emphasis now given to achieving outcomes relating to social and environmental well-being.

Other changes in local circumstances

- 6.62.** There have been no other changes in local circumstances that are seriously undermining the delivery of the LPS. In July 2019, Jodrell Bank Observatory was inscribed on to the UNESCO World Heritage List in recognition of its tremendous scientific endeavours and its role in achieving a transformational understanding of the Universe. Although its inscription took place after the adoption of the LPS, Policy SE 14 of the LPS already provided protection of the Observatory's significant scientific and historical value. Its World Heritage Site status elevates the importance of this policy protection and the inclusion of Policy HER 9 within the SADPD specifically recognises the Observatory as a designated heritage asset of the highest significance. As policy protection was already in place to limit development that could harm the efficiency of its telescopes, its inscription on the World Heritage List has had no significant impact on the delivery of the LPS's overall housing or employment requirements.
- 6.63.** The conclusion on this aspect of the guidance is that an update to the LPS is not required.

Recommended way forward

- 6.64.** The review has found that the LPS remains generally well-aligned with national planning policy. There are aspects of national planning policy that have changed, most notably through updates to the National Planning Policy Framework, with associated changes in PPG. Some of these changes have been addressed through the preparation of the SADPD. However, the assessment of individual LPS policies, appended to this report, identifies that two policies require updating to reflect important changes to national planning policy, namely Policy PG1 (Overall Development Requirements) and Policy SC5 (Affordable Housing). Policy PG1 sets out overall development requirements, including the housing requirement. Changes to national policy indicate that local housing needs have changed significantly, and, in such circumstances, relevant strategic policies will need updating. An update to Policy SC5 is necessary to reflect the government's policy for First Homes introduced in 2021 which it expects local planning authorities to implement at the earliest opportunity. The update could also address any appropriate updates to "amber" rated policies.
- 6.65.** The LPS is generally performing well. The Council's current housing supply and delivery performance is strong which is consistent with the government's ambition to boost the supply of new homes. Development is generally taking place in accordance with the spatial strategy. Less employment land has been taken up than planned, however there remains a healthy supply of sites

providing a range of employment development opportunities. The AMR indicates that annual jobs growth has been considerably higher than that forecasted. Based solely on the performance of the Plan there is no urgent need to update the LPS.

- 6.66.** There have been two significant changes in local circumstances that warrant an update to LPS policies. The first is HS2. With the potential for HS2 services to Crewe commencing as early as 2029, there is a need to put in place development plan policies so that the development opportunities HS2 will bring can be achieved in a plan-led way. The cessation of work on the Crewe Hub Area Action Plan adds to the need for new policies to be prepared through an update to the LPS. The second change is the Council's Corporate Plan 2021-25 with its added emphasis on outcomes that support social and environmental well-being. This includes a commitment to tackling climate change with the ambition for the borough to be carbon neutral by 2045.
- 6.67.** Having carried out a review that has looked at all the aspects highlighted in national planning policy and guidance, it is recommended that a LPS update is commenced. This report has not sought to define the exact scope of any update since this would be a matter for the update process itself. A LPS update would also be brought forward in the context of the government's proposed planning reforms. These would introduce changes to the way in which local plans are prepared and the scope of the policies they would contain¹⁶. However, even setting aside the likely changes expected through planning reforms, the update to the LPS would be extensive and include the setting of development requirements post 2030 which, in turn, would also necessitate updates to a range of other key strategic policies. Given the current national planning policy requirement that strategic policies should look ahead over a minimum 15-year period from adoption, any new Plan period would extend into the 2040s¹⁷.
- 6.68.** Subject to a decision to update the LPS, the next step would be for officers to bring back a further report to the Committee with a revised Local Development Scheme. This would set out a proposed timetable for the preparation of the updated LPS¹⁸.

¹⁶ For example, in the future, policies on issues that apply in most areas (such as general heritage protection) are proposed to be set out in a suite of National Development Management Policies. It is intended that these will be given statutory weight alongside the development plan in determining planning applications.

¹⁷ NPPF Paragraph 22 states "Where larger-scale developments such as new settlements or significant extensions to existing villages and towns form part of the strategy for the area, policies should be set within a vision that looks further ahead (at least 30 years), to take into account the likely timescale for delivery." <https://www.gov.uk/guidance/national-planning-policy-framework>

¹⁸ The timetable for preparing the next iteration of the Local Plan will need to take account of the implications of national planning reforms once the details of these emerge in due course.

6.69. Pending new or amended policies being prepared and adopted as part of any update, all policies in the LPS would remain part of the development plan for the borough until they were replaced by any newly adopted Local Plan.

7. Implications

7.1. Legal

7.1.1. This report addresses the requirement under Regulation 10A of The Town and Country Planning (Local Planning) (England) (Amendment) Regulations 2012 (as amended) to carry out a review of the Local Plan Strategy within 5 years from the date of its adoption.

7.2. Finance

7.2.1. An update of the LPS will be a major undertaking involving significant costs due to the procedures that have to be followed and the preparation of a robust evidence base. Further detail, quantifying the likely financial implications, would be reported back to the Committee alongside the revised Local Development Scheme.

7.2.2. The review of the LPS has involved officer time and has also been informed by senior external legal advice. The latter has been paid for from the Planning earmarked reserve.

7.3. Policy

7.3.1. The Local Plan Strategy sets out the Council's policy for sustainable development in the Borough. Key policy implications are addressed in the body of the report.

7.4. Equality

7.4.1. The LPS was accompanied and informed by an integrated Sustainability Appraisal incorporating an Equality Impact Assessment. A similar Appraisal would be carried out as part of any update to the LPS¹⁹.

7.5. Human Resources

7.5.1. There are no additional human resource implications arising from this report.

7.6. Risk Management

7.6.1. An update to the LPS would be a significant undertaking, involving multiple work-streams. Appropriate risk management would be carried out as integral part of its project management.

7.7. Rural Communities

7.7.1. An update to the LPS would contain planning policies for the whole of the Borough, including rural areas.

¹⁹ The government is proposing to replace Sustainability Appraisals with 'Environmental Outcomes Reports' through the Levelling Up and Regeneration Bill.

7.8. Children and Young People/Cared for Children

7.8.1. The well-being of young people and cared for children would be an important objective that any revised policies should seek to support.

7.9. Public Health

7.9.1. Good health would be an important objective that any revised policies should seek to support.

7.10. Climate Change

7.10.1. A LPS update would provide an opportunity to go further with planning policies to mitigate climate change as highlighted in paragraphs 6.59 and 6.60 of the report.

List of abbreviations

AMR	Authority Monitoring Report
LPA	Local planning authority
LPS	Local Plan Strategy
NPPF	National Planning Policy Framework
PPG	National Planning Practice Guidance
SADPD	Site Allocations and Development Policies Document

Access to Information	
Contact Officer:	Jeremy Owens, Development Planning Manager jeremy.owens@cheshireeast.gov.uk
Appendices:	Appendix 1 – Assessment of Local Plan Strategy policies against the requirements of national policy
Background Papers:	These are referenced in the report and links are provided in footnotes.