

## London and the Wider South East Network

### Devolution and Spatial Development Strategies: a review of governance, powers and progress

Spatial planning is being revived at the city-region level. The creation of new combined authorities has been encouraged by Government. These insert a new tier of government between the national and the local. Nine have been created to date. Some of these have planning powers conferred through their 'Devolution Deals'.

NPPF 2012 was effective in helping the house building industry increase supply. There were 241,000 net additions in 2018/19 – the highest level of completions in the last thirty years. An indication of the effectiveness of the NPPF 2012 was the doubling of new housing supply in last six years (up 93%) since low of just over 124k in 2012/13.

Nevertheless, we are now reaching some limits of its effectiveness, as many major towns and cities struggle to accommodate housing need and look to assistance from hinterland authorities. The duty to cooperate has proved ineffective. Disparate planning based on 330-odd local authorities acting independently is generally regarded as ineffective as a model to coordinate and deliver development needs. Statutory spatial plans are cited by many in the profession as the solution.

Paragraph 17 of the new NPPF refers to the role of statutory spatial development strategies (SDS) in the planning system. Currently five combined authorities, including Greater London, have the power to produce SDS. Combined authorities with conferred powers are the Government's preferred vehicle for delivering SDS<sup>1</sup>.

SDS are statutory plans that will become part of the development plan once adopted. As a higher tier plan, supporting local plans will need to be in conformity with the SDS.

The NPPF allows other types of statutory spatial plans to be produced. These can take the form of joint or aligned local plans. There are many examples of this already across England. Notable examples include the adopted Nottinghamshire City Region Aligned Core Strategies and the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy.

In the Queen's Speech in October the Government announced its intention to increase the number of combined authorities in England and to 'level-up' their powers. By levelling up, the Government means giving all the combined authorities comparable powers to those conferred upon Greater Manchester - the most mature combined authority outside Greater London. We are awaiting the Government's White Paper on devolution to understand better its intentions in this area. This White Paper could be published at the same as the Budget on the 11 March.

This paper describes the arrangements in place to allow SDS to be prepared. The first section discusses some of the issues that are beginning to emerge around the devolution agenda in relation to planning. The second section reflects upon progress in those combined authority areas with conferred SDS making powers. It considers effectiveness of the new approach and describes the governance arrangements relating to SDS production in those areas. The focus throughout the paper is on planning for housing.

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<sup>1</sup> Oxfordshire also has the power to produce a statutory spatial strategy and is in receipt of inducements to achieve this, but it is not a combined authority, and its spatial plan is not subject to the SDS Regulations 2018.

## RECOMMENDATIONS

The LWSE Network is invited to:

- a) note the report;
- b) discuss whether the Government's preferred approach to spatial planning provides an effective model to plan for the development needs of London and the Wider South East; and
- c) consider whether elected metro mayors should enjoy comparable planning powers in relation to plan-making to those exercised by the Mayor of London.

### **Part 1: Observations and tentative conclusions on the production of SDS in combined authorities**

Combined authorities are a new tier of government inserted between the national and local. Experience in London shows that there are many positives associated with planning across the larger-than-local scale, but the higher you go, the greater is the loss of detail. Generalisations tend to replace more detailed understanding of local problems.

Whether the devolved powers in relation of planning and housing will result in the boost in the delivery of new homes is uncertain. The provisional view of the development industry – in so far as it has been considered the issue at all – is that this is unlikely in the short to medium term. The Combined Authorities will create an additional layer of complexity in the already complex structure of local government in England. The Combined Authorities could easily get bogged-down with inter-local authority squabbling over who has the power, resources and sets the policy direction (e.g. Liverpool and Sheffield cities) as well as with arguments with central government over the devolution of powers. All sides can blame the other for inaction.

There also does appear to be a problem of short-termism. The Combined Authorities are preoccupied with lobbying government for money to implement their priorities. While this is understandable given the state of local government finances, we need to see a much stronger commitment to strategic planning beyond the next three years as this is vital to allow the economy to grow.

It is also unclear to what extent devolution is driven by a desire or tendency in Westminster to outsource authority – to absolve itself of responsibility for the housing crisis and by producing vague and non-committal policy encourages dissent and delay at the local level. Second, some, especially those in the housebuilding sector are concerned that devolution may result in a very fragmented approach to planning and housing policy in England. Other commentators would positively welcome this (e.g. Nick Raynsford) and see this as the natural outcome of devolution.

Other than in London, progress with all spatial strategies has been disappointing. This is a consequence of weaker powers exercised by the new metro mayors than those enjoyed by the Mayor of London. The need to secure full consensus is also resulting in sub-optimal planning plus delays associated with the political cycle. Further, there is no detectable appetite on the part of the new metro mayors to secure stronger planning powers from central government. There is a view that were these stronger powers conferred, then local authority support for working within a combined authority structure would wither away; local authorities with a stronger middle-class constituency are more likely to pull away from the combined authority model. This is chiefly the reason why the West Midlands has not sought spatial plan making powers. The more affluent authorities of Stockport and Trafford are those most wary of the threat posed by the SDS in Greater Manchester.

The other key planning issue is the inability of SDS, for the time being at least, to allocate strategic sites. This has become something of a double-edged sword. The ability to allocate strategic sites – a power sought by Mayor Andy Burnham – would help speed and increase housing delivery. It is though the kind of measure that might frighten-off local authorities from cooperating or seeking SDS making powers where they do not currently have them (e.g. West Midlands), and from forming new combined authorities. There is no easy solution to this other than Government insisting on the formation of combined authority areas as opposed to the voluntary way they come together at the moment.

While there have been some positive developments, the overall verdict from the development industry for the time being is that a combination of local political conflict among the constituent members plus short-termism is delaying important long-term strategic planning decisions. This is particularly the fear for developers operating in Greater Manchester, West Midlands and West of England combined authority areas. Delivering housing at the scale required in all the combined authority areas will require substantial green field release alongside brownfield regeneration, but few coordinated spatial plans – if any - will be ready before 2022 at the earliest. The promise of the production of spatial plans may be used as an excuse by constituent local authority members to delay local plan making (evident particularly in Greater Manchester) and decisions on strategic scale allocations.

### **Is the combined authority SDS model an appropriate one for planning in the WSE?**

The combined authority model is focused primarily on the major English cities – areas with a major city and satellite, generally more suburban local authorities. There are anomalies though. For example, the Tees Valley lacks a major city, and instead is characterised by a chain of towns. The other factor determining the administrative geography is areas defined by strong, relatively contained, housing market and functional economic areas. Even then, there are anomalies, most notably North of Tyne where Newcastle City's relationship with Gateshead and South Tyneside is particularly strong although the latter two authorities are not part of the combined authority.

If considering future possible planning structures for London and the Wider South East (the former government regions of the South East and East of England) the most immediate and obvious barrier to rolling-out the combined authority model is the lack of major cities around which potential new combined authorities could coalesce. Even so, there are a number of areas where there are cities or major towns around which the combined authority model could be considered, such as the Brighton/East Sussex Coast area, Reading / Thames Valley, Basingstoke / M4 Corridor, Norwich / Norfolk Coast, and the Partnership for South Hampshire. These could complement the existing combined authority of Peterborough and Cambridgeshire and the collaborative work of the Oxfordshire local authorities. Hertfordshire also forms a single LEP area. This could also provide the basis for a combined authority or at least a joint planning area.

The Thames Gateway 2050 Growth Commission in its report of June 2018 recommended a review of governance arrangements in the Thames Gateway. It also recommended preparation of Joint Spatial Plans for the South Essex and North Kent Coast sections of the Thames Gateway to help deliver the growth ambitions for the corridor. This work was possibly to be conducted under the direction of a Thames Gateway Strategic Group – a group that the Commission recommended should be formed to drive forward the ambitions for the area. This proposal has not progressed any further.

However, the much greater development pressures in the wider south east combined with the greater political influence that the residents of these areas enjoy, means that it is much less likely that these areas would voluntarily relinquish any control over local planning.

Even if the Government was successful and was able to encourage the formation of new combined authorities in the wider south east or the formation of collaborative growth bodies along the Oxfordshire model, and assuming that SDS-making powers were acceded to and conferred, it would still result in a very fragmented, patchy and confused picture of spatial-plan making.

The potential for delays to the production of SDS is also very much greater in the south than they are in the north as one can judge from local plan production.

Much larger political-geographic areas are needed to be defined to ensure that planning can occur at a sensible scale. The Oxfordshire model – planning at the county level - could represent a compromise but that model is not without its issues. The delay to the production of the Oxfordshire Joint Statutory Spatial Plan and one local authority's reluctance to honour previous agreements in the Oxfordshire Growth Deal, illustrates how more affluent local authority members/partners can disrupt planning objectives.

## **Part 2: Mayoral Spatial Development Strategies: Progress, differences and experiences**

### **Greater London: Draft London Plan**

The Mayor of London's power to make a spatial strategy is established in the Greater London Authority Act 1999. The production of such a plan is a statutory requirement. The Mayor through the Greater London Authority has been very efficient in this regard. The London mayor has more-or-less published a London Plan every five years since 2004.

The Mayor of London's powers are unique in relation to those of the other combined authorities in two respects. First, the Mayor does not need the full consensus of all the constituent local authorities before s/he publishes the draft plan. S/he can dis-regard the views of the boroughs although the London assembly can block any statutory Mayoral strategy, including London Plan (and Mayoral budget) with a two thirds majority. This has never happened, although they were one vote short on a challenge on the affordable housing definition included in the 2011 Plan. Second, the Mayor is not bound to adopt the modifications or actions recommended by the Planning Inspectorate. S/he may demur, setting out his/her justifications for doing so and submit these to the Secretary of State. The Secretary of State, however, has the final say and may direct that those or other modifications are made.

The new draft London Plan has concluded its examination. The Planning Inspectorate published its report on the 8 October 2019 (released to the general public a fortnight later). The GLA Act 1999 and the NPPF 2019 require spatial plans to address only matters of strategic importance. The various mayors of London have chosen to interpret this very broadly. For example, the new draft London Plan includes 115 policies, 90 of which relate to residential development in some way, and the Plan goes into considerable detail in some instances, such as the requirement that *"All development proposals should provide a minimum of two short-stay and two long-stay cycle parking spaces"*. The Panel has expressed its misgivings about this approach and has recommended that the next London Plan is more concise and focused. It is unlikely that the Mayor will follow this recommendation.

The Mayor published his 'Intend to Publish' version of the Plan in mid-December. This has accepted most of the Panel's 55 recommendations, except two key strategic ones in relation to the future planning for housing. This includes the Panel's recommendation that the Mayor

leads a strategic green belt review of London's green belt to examine possible options for land release to accommodate the housing and industrial land shortfall and the recommendation that the Mayor restores to the London boroughs the discretion to decide whether a review of their own local green belt is justified to meet development needs.

The following provides a brief summary of some of the key issues for housebuilding.

#### Housing need and capacity

The Panel has endorsed the Mayor's assessment of housing need, including his use of alternative demographic assumptions. This results in a need in London for 66,000 homes per year for the next ten years (2019/20-2028/29). Land supply, however, is much less than assumed by the Mayor. The large site capacity, based primarily on existing allocations and assessments of capacity within the Opportunity Areas, is sound (40,000 a year) but the small sites allowance has been reduced from 24,500 to 12,000 a year. The Panel considered that the Mayor's allowance for small sites relies overly on theoretical modelling (and hence contrary to national policy) and consequently is too uncertain. It has reduced the expected supply to bring it in line with the 12-year trend for windfall plus a 0.3% uplift to take some account of the potential benefits of the Mayor's policy to encourage more small-site development.

This would result in a more realistic capacity in London for 52,000 homes a year and leaves a shortfall in supply versus need of 14,000 homes a year.

#### Managing the shortfall

The Panel has observed that the measures contained in the DLP to manage cross boundary planning are ineffective. There is no prospect that the Mayor can export his housing shortfall to the authorities in the wider south east (WSE) within the timeframe of the London Plan not least because the Mayor is not responsible legally for the duty to cooperate. Consequently, the Panel concluded that the Mayor has no other option than to embark upon a strategic review of London's green belt and metropolitan open land. The Mayor has rejected this recommendation in his 'Intend to Publish' version of the Plan.

The Mayor is also required to take much greater control over managing and monitoring the delivery of London's housing needs, including preparing a trajectory plan.

#### Duty to Cooperate

The Panel has clarified that the London Plan is not subject to the Duty to Cooperate because the London Plan is not a development plan document. In reaching this conclusion, the Panel has demurred from the view expressed by the previous inspector in 2014. This now clarifies that the London boroughs are legally responsible for discharging the Duty. This is not a function that the Mayor will discharge through the preparation of his London Plan. The Panel has noted that the new NPPF (2019) will require the Mayor to discharge the Duty (para. 25). Whether this will compel the Mayor engage with the duty, or whether s/he will continue to insist that s/he is under no legal obligation to do so, is a matter for debate. It is entirely possible that the Mayor will disregard what national policy says, just as he earlier disregarded what the planning practice guidance said. The Mayor is adhering to the letter of the law rather than the spirit of planning policy.

It is entirely impractical for the London boroughs to discharge the duty. This is because London is treated as a single housing market area: the Mayor assesses the overall housing need and then apportions this among the 35 local planning authorities in London based on his assessment of their housing land capacity. If there is an unmet housing need – as there is with both the new Plan (140,000 homes) and the still current Boris Johnson Plan 2015 (70,000

homes) – it is impossible for an individual local authority to know how much of that overall unmet need it should be responsible for under the Duty; i.e. how much of the unmet housing need is attributable to it, and therefore how much it should attempt to export to another local authority in the WSE, with its agreement to provide land to accommodate this portion. The unmet need, consequently, is neglected. While it is extremely unlikely that any authority in the WSE will be willing to accommodate an element of London’s shortfall (see for example the discussion at para. 111 of the Panel Report), it is nevertheless very important that local government does at least attempt to make the system work by asking other local authorities if they can help. If they do not do this, then Central Government can argue with justification that there is potentially a solution to the problem of large unmet needs in London if only the Duty to Cooperate was discharged properly and diligently by the local government of London. This is the system that Government has created, and this is what local planning authorities are required by law to do in preparing their local plans.

As things stand there is a vacuum in London in terms of the operation of the Duty to Cooperate – no one is taking responsibility. This could be construed as somewhat unfair by local authorities outside of London since they are being scrutinised fairly carefully (although not over-rigorously – it’s a relatively easy test to meet) over what they have done to meet this statutory requirement and are under some pressure to prepare local plans that accommodate housing needs in full<sup>2</sup>. The Duty to Cooperate is beginning to yield some positive planning results in places (e.g. the Waverley, Woking, Guildford group, the Crawley, Mid Sussex, Horsham group, and Oxfordshire). By contrast, in London, the existence of very large unmet housing needs is quite immaterial to judgements of soundness of the strategy.

### Green belt

The Mayor’s attempt to prevent London boroughs from reviewing the green belt has been found to be contrary to national policy. This is a matter for development plan documents. However, the Mayor has rejected this Panel recommendation in his ‘Intend to Publish’ version of the Plan. It will be interesting to see how the Secretary of State responds, especially as this may send a signal to other metro-mayors.

### Key issues for consideration

The planning powers enjoyed by the Mayor of London are considerable compared to other Metro Mayors and combined authorities. This allows the London Plan to be regularly reviewed and updated. On the downside the recent examination has exposed some of the weaknesses associated with planning at such a large spatial scale: the assessment of land supply is challenging and the operation of the duty to cooperate remains problematic, hampered by an institutionalised unwillingness by various political actors to grapple with the issues. The problem of meeting the housing targets (average net completions has been 26,000 per year for the last 19 years while average assessed need over the same period has been 31,000 homes a year) which requires a realistic housing land supply is made more difficult owing to the great reliance placed on theoretical modelling. The problem of assessing viability at such a large spatial scale<sup>3</sup>, and requiring full policy compliance, is becoming apparent despite the strictures in the new NPPF.

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<sup>2</sup> For example, the Inspector’s letter detailing Sevenoaks Council’s failure on the Duty to Cooperate [file:///C:/Users/stevej/Downloads/ED44\\_Inspector\\_s\\_letter\\_to\\_SDC\\_13.12.19\\_.pdf](file:///C:/Users/stevej/Downloads/ED44_Inspector_s_letter_to_SDC_13.12.19_.pdf)

<sup>3</sup> Interestingly, the Inspector – William Fieldhouse - leading on the viability of the Draft London Plan is the inspector who recently considered the Durham Local Plan. He came to similar conclusions on viability at both: namely the difficulty of assessing viability at the plan level, and consequently, an inability for the decision-taker to insist on full compliance on the adoption of the plan.

## Next steps

The Mayor published his 'Intend to Publish' version of the Plan in December 2019. The Secretary of State normally allows him/herself six weeks to respond and direct if any changes are needed. The Secretary of State may extend this period and indeed the Secretary of State has announced that he wants more time. The Secretary of State has said that he will respond on 17 February. The Mayor had said that he wants to publish the London Plan by February/March 2020 but that may now be delayed. The extra time required by the SoS may push the Mayor into the purdah period for local government and mayoral elections (commences 23 March). This means it is possible that the Mayor may not be able to get the assent of the London Assembly and publish his new London Plan before the Mayoral election.

How the Secretary of State responds could have a bearing on the decisions of Metro Mayors producing SDS elsewhere in England.

## **West of England: Joint Spatial Plan**

The West of England Combined Authority (WoECA) consists of Bristol City, Bath and North East Somerset and South Gloucestershire Councils. The Devolution Deal confers powers on this combined authority to prepare an SDS (the SDS Regulations 2018 refer to this power being conferred on WoECA). The West of England Joint Spatial Plan, however, is not an SDS, but a joint plan. It also involves North Somerset Council which is not a member of WoECA. Even so, the Devolution Deal refers to the production of the JSP as one of the key elements of the Deal. The JSP is treated as an acceptable proxy for the SDS. Drawing down funding from Central Government for housing delivery is contingent, in part, upon the successful progress of the JSP.

The involvement of North Somerset in the JSP means that North Somerset is party to a plan that apportions Bristol City's unmet housing need (circa 28,000 homes) among the three hinterland local authorities. Importantly, the JSP will ensure that the housing needs of the sub-region are fully accommodated, if not actually delivered. It is right that efforts should be invested in progressing a JSP involving all four. An SDS involving only the three constituent local authorities of WoECA would be a weaker planning document.

## Outcome of JSP examination

The JSP was submitted for examination a year and half ago. After warnings of unsoundness by the Panel in the summer of 2018, the Panel published its full conclusions following the public hearing sessions in two letters in August and September 2019. The Panel has advised the four councils to withdraw the JSP owing to irremediable soundness failings. The chief failing is the absence of a spatial strategy; a rationale that explains how the 12 Strategic Development locations (SDLs) had been selected and why other candidate sites were considered inappropriate. The four councils maintain that all twelve locations are sustainable ones, but they have been unable to justify why these are more sustainable than alternative options on offer.

It is arguable whether this would have been less of an issue if the JSP had been examined against the new NPPF, which now only requires 'an appropriate strategy' rather than 'the most appropriate strategy'. The 'effectiveness' test, however, would still come into play, providing adequate scope for the industry to challenge spatial choices, especially as the focus of plan-making shifts to questions of delivery.

### How to fix a failing plan?

Related to this is the question of flexibility. If the JSP is unsupported by a spatial strategy then it is harder for plan-makers to select alternative, contingency, sites to plug a gap in supply. This is a particular risk if one or more of the SDLs fails to deliver (a distinct possibility with some of the free-standing new settlements). The JSP lacks a mechanism or guiding rationale that would allow the four councils to select alternative sites to remedy a failing plan. This was an issue which HBF explored in its representations.

### Relationship of JSP to supporting local plans - allocations

SDS cannot allocate land unless this power has been conferred (see NPPF, footnote 15). Land allocations and green belt alterations can only be made by the local plan. One distinct advantage of the JSP as a joint plan is that it could have designated the SDLs had the local authorities wanted to. This would allow applications to be made before the supporting local plan was adopted. It was a matter for debate the examination why the councils had not chosen to do this, with HBF arguing that they ought to have done so to ensure delivery before 2037 without waiting three years for local plans to be adopted.

### Objective assessment of need

The JSP provided for 105,000 homes in total over twenty years. This included a small buffer. The industry advanced alternative figures ranging between 125-140,000 homes per year (the latter supported by the HBF). The Panel chose not to opine on what it considered the appropriate housing need to be despite a lengthy debate about this at examination. This was because the Panel considered this question secondary to the question of the spatial strategy: where development could and should go. However, one consequence of the delay to the JSP is that the four councils will now need to align with the Standard Method when they bring forward a revised JSP or individual local plans. Overall for the West of England area, this would require 116,000 homes. It is understood that the four councils have accepted this and will adjust the plan.

### Next steps

The councils have now accepted the Panel's recommendations and have resolved to withdraw the JSP. This requires separate cabinet approval by all four councils. At the time of writing Bath & North East Somerset has given its assent.

While the JSP was an imperfect document, some in the industry held the view that it would be beneficial to see the JSP proceed to adoption, not least because it had involved the non-combined authority member, but critical partner – North Somerset Council. The letters from PINS, however, have made it clear that the failings of the JSP are too great to remedy at examination. It is likely that an entirely different plan will be needed. HBF is keen to discuss ways forward with the local authorities as it is anxious that it may be a long time before a new spatial strategy is produced. A compromise would be to focus on the preparation of a Statement of Common Ground (SCG) that assisted local plan production. The SCG would need to be underpinned by a spatial strategy that provided the basis for an agreement on how the overall housing need would be apportioned across the sub-region. This would allow local plans to be adopted without delay while work continued with a new JSP or possibly SDS. This approach is not too different to the approach taken in Oxfordshire by the Growth Board. HBF has written to the Lisa Bartlett, the Senior Responsible Officer for the JSP, offering its assistance to develop this idea further. We are still waiting for a response.

## Greater Manchester Spatial Framework

Greater Manchester Combined Authority is the most mature of all the combined authorities, and one with the greatest devolved powers, having its first powers conferred back in 2012. The production of the Greater Manchester Spatial Framework has always been strongly emblematic of the work of the ten local authorities and the devolution agenda for the city-region.

The spatial development strategy – the Greater Manchester Spatial Framework (GMSF) – has been in preparation for a long time. Work on the GMSF started in 2012 with an initial consultation in November 2014. A draft submission GMSF was consulted upon in 2016. It had been hoped that the GMSF – which was being brought forward as a statutory joint plan – would be adopted by 2018. Overall, this draft plan had proposed that 227,200 net additional homes, or 11,360 dwellings per annum (dpa), would be provided between 2016 and 2036. Some 60% of these would be houses and 40% flats. Significantly, the draft Plan did not propose a policy target for affordable housing, either a total amount (like the current London Plan) or a percentage. This Plan was scuppered by the mayoral election of May 2017.

### Main features of current draft

The new Mayor, Andy Burnham, has overseen the production of a new Plan reflecting new political priorities. The GMCA published its revised Greater Manchester Plan (GMP) for consultation in January 2019. There will be a second consultation scheduled for the summer, with submission proposed in the late autumn, examination in spring 2020 and adoption by the summer 2020.

The revised plan reduces the objectively assessed housing need to 200,980 homes for a twenty-year period running from 2018 to 2037 (compared to the figure of 227,200 in the earlier pre-election draft). The objectively assessed need figure is also the housing requirement figure as Greater Manchester can accommodate the figure in full.

Settling upon the objectively assessed figure has been controversial. The Mayor had wanted to use the ONS 2016-household projections in conjunction with the government's new standard method for assessing housing need. This would have generated a requirement for just 154,000 homes over the 2018-2037 period. The reason for this precipitous drop in projected need compared to the pre-election draft GMSF (227,000 homes), is the recessionary, affordability and non-delivery (that is under-delivery compared to proposed planned supply) influences embedded within the 2016-household projections that are now beginning to feed through into the projections (resulting in projections that now nationally point to just 213,000 households forming each year). This has seen steep declines in the projected level of need across many local authorities and especially those in the north of England. The government's response has been to instruct plan-makers to default to the 2014-household projections while it undertakes remedial work on the projections to counter this tendency (see *Government's Response to the Technical Consultation on Updates to National Planning Policy and Guidance*, MHCLG, February 2019). The GMCA, was therefore, compelled to revise its housing requirement using the 2014-projections. This generates the figure of 200,980, rounded up 201,000 homes for the purpose of the Plan. The average is 10,578 homes per year over 20 years.

Nevertheless, this had resulted in a dispute between Mayor Burnham and Kit Malthouse, the previous Housing Minister, fought-out through questions in Parliament submitted by MPs in the Greater Manchester area. Mayor Burnham had accused the Minister of misleading the GMCA, or at least being economical with the truth, by telling them that they are at liberty to deploy an alternative method for assessing the housing need. It is the case that the Planning

Practice Guidance (PPG) does allow plan-makers to use an alternative method, but only if this results in a higher housing need figure than the one generated using the standard method. If it generates a lower figure, then this will need to be supported by robust evidence and exceptional local circumstances. However, because the PPG explicitly does not allow the 2016 projections to be used in conjunction with the standard method, and because the GMCA does not have good evidence to justify a need figure of just 154,000 homes for the next twenty years, it has no option but to plan for 201,000 homes.

Burnham had wanted to adopt the lower figure of 154,000 homes to avoid making any green belt release. As he stated at an event on 7 January 2019:

*“The truth is I would have liked to go further (in reducing land allocations)...but (this was) effectively made impossible by the Government’s insistence on us using the old population and housing figures, which are significantly higher than the most recent ONS projections”.*<sup>4</sup>

The Mayor has made a specific pledge of working towards a ‘no net green belt release’. The draft GMSF refers to making additions as well as release. One consequence has been the fall in the amount of employment land to be provided. The comparison with the 2011 and 2015 London Plans is instructive here in terms of the mounting pressure on employment land in London evidenced by the new Draft London Plan.

#### Green belt release reduced

Burnham had campaigned promising a ‘radical re-write’ (Burnham’s words) of the GMSF. The pre-election draft was criticised by some for being too developer friendly and involving too much green belt release. Indeed, the earlier, pre-Burnham plan, had been widely supported by house building interests in the region, since the draft plan had proposed that 4,900 hectares of Greater Manchester’s green belt would be de-designated for development to provide land for an estimated 64,500 homes. This would have reduced Greater Manchester’s green belt from 47% to 43%. The concerns of those communities most directly affected by the green belt release accounted for many the representations received and had considerable resonance during the election campaign.

The more recent draft has halved the amount of green belt release. The 2019 draft GMSF proposes releasing 2,430 hectares of land from the green belt compared to the 4,900 hectares in the 2016 draft. Overall the proposed release would reduce the extent of the Greater Manchester green belt from 47% to 45%. It is expected that this release could support 24,000 homes.

The draft GMSF also proposes to add land to the green belt (see paragraph 8.61). The development industry has queried whether this is sensible when there is considerable doubt about the future housing and economic needs of the city-region and its growth potential. The completion of the Manchester-Liverpool arms of HS2 in 2033 may begin to exert a decisive effect on the performance of the region.

#### Withdrawal of housing package

The proposed reduction in the housing requirement prompted the government to write to Andy Burnham on the 13 March 2019 withdrawing its proposed housing deal (*Outline Housing of a Prospective Housing Package for Greater Manchester*: MHCLG and GMCA, 2018). The housing package had required the GMCA to plan for 227,200 homes in return for a package

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<sup>4</sup> Andy Burnham, Mayor of Greater Manchester, speaking at “The Future of Greater Manchester” event, 7 January 2019.

of funding amounting to £68 million (made up of a land fund and Housing Investment Fund). Longer term, through the preparation of a Local Industrial Strategy, the city-region is earmarked to receive additional funding as part of the government's Northern Powerhouse funding. This includes £300m in a Housing Investment Loan Fund; £243m from the Transforming Cities Fund; a Land Fund (regeneration) worth £50m; and £69m from the Marginal Viability Fund.

The expectation of the government is that this substantial, additional public funding for housing is only available to local and combined authorities where they plan for more than the minimum number of homes indicated by the standard method (as we have seen in Oxfordshire and its emerging Joint Statutory Spatial Plan), or where they commit to an accelerated delivery programme (as in the case of the packages for the West of England, the West Midlands, Sheffield City and the North of Tyne combined authorities).

Nevertheless, the government is encouraging the GMCA to make separate applications for funding from government to support specific projects.

It is understood that the withdrawal of the proposed package has soured relations between the GMCA and government. The Mayor has made it clear in the new draft GMSF that the GMCA will be unable to achieve its housing target of 201,000 homes without significant additional investment in housing from government (see paragraph 7.11 of the draft GMSF).

#### Progress falters

The election of the first metro mayor for Greater Manchester inevitably resulted in a delay to the GMSF to allow the new mayor to impose his stamp upon the plan. The subsequent delays are more concerning. A new draft GMSF is scheduled for consultation until after the mayoral elections in May 2020. Whatever the outcome of this election, it is likely that the new Mayor will want to make further changes to the draft GMSF. Consequently, it is possible that the extent of the green belt release will be reduced further.

Assuming the timetable is not derailed further, it is unlikely that we will see the GMSF adopted much before 2022.

#### The 'quest for consent'

For the time being the draft GMSF is being advanced as a Joint Plan – like a local plan, but obviously much bigger. Greater Manchester, like the Liverpool City Region and the West of England combined authorities, does have the power through its devolution agreement to prepare a statutory spatial development strategy (SDS) but the reason why the draft GMSF is being advanced as a Joint Plan is so that it can make land-use allocations. In the meantime, the GMCA is seeking a special amendment through a specific statutory instrument for Greater Manchester, that varies the published *Combined Authorities (Spatial Development Strategy) Regulations 2018*, that will enable the Mayor through his SDS to make land allocations. This is important, since it would allow applications to be determined on land that is allocated in the SDS without the need to a supporting local plan to be adopted. This can only be done through a Joint Plan at the moment, not through an SDS which cannot formally allocate land, it can only indicate where land release might be needed. Local plan production, consequently, remains critical to the successful implementation of the Greater Manchester Mayor's strategy. Experience in London shows that this would be a major obstacle if the Mayor's plan relied on updated local plans being prepared.

This is an area of great potential weakness. It is our understanding that Liverpool City Region and the West of England combined authorities will not be seeking a similar power. They are

content for land to be formally allocated through the supporting local plan. One might argue that this could undermine the effectiveness of the SDS in these areas. The draft West of England Joint Spatial Plan only indicated broad areas of growth.

The GMSF requires the unanimous approval of all ten councils before it can be consulted upon and adopted. This presents a significant risk to the passage of the GMSF. Civic support for the GMSF is evaporating as new council leaders replace the 'old guard' who originally conceived the GMSF. Richard Leese of Manchester City is the last council leader left in post who was an original proponent of the idea of the GMSF.

An example of the problems in store for the GMSF is Stockport Council. Control of the Council has now passed to the Lib-Dems who have recently declared the Greater Manchester Spatial Framework to be "dead in the water" and the Council is threatening to disengage from the GMSF process<sup>5</sup>.

Mayor Burnham, however, has expressed his satisfaction with the current model of subsidiarity<sup>6</sup>. He is not seeking stronger planning powers preferring to secure a consensus among local politicians.

#### Next steps

The preparation of the new version of the GMSF – the submission version (spatial development strategies, like the London Plan, need only go through one phase of public consultation) has been delayed until after the Metro Mayor elections in May 2020. It is expected to be ready for consultation in the summer/autumn 2020 assuming there is no change of mayor and no need for further major re-drafts. If this timetable can be adhered to then it is possible that we may have an examination in the spring 2021 and adoption in 2022.

#### **Liverpool City Region Spatial Development Strategy**

The Liverpool City Region Combined Authority (LCRCA) is the only combined authority required to publish its SDS and it is also the only authority with planning call-in powers like the London Mayor (although a scheme of referral has yet to be agreed).

LCRCA has been monitoring developments in Greater Manchester closely. To avoid the problems experienced in Greater Manchester, the LCRCA has decided to adopt a lighter-touch approach with its SDS. The emerging plan will not attempt to re-apportion housing need at a spatial scale, nor indicate if green belt release is required, or if strategic allocations are needed. Instead, it will update the housing targets on behalf of each of the six constituent local authorities, based on the Standard Method, plus, we understand, an additional 10% uplift. Responsibility for accommodating the development needs will then be delegated to each constituent local authority who will need to accommodate this need within their own administrative boundary and show this in the supporting local plan. The SDS, therefore, will only provide a higher-tier spatial strategy for transport, waste, the environment and specific other policy objectives (like zero carbon homes), but the details of implementation will be the responsibility of each local authority.

HBF has debated the efficacy of this approach with its members. Some are concerned, understandably, that this approach could neglect the delivery of housing needs if the SDS does not provide a stronger steer on need and location. On the other hand, since the SDS will

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<sup>5</sup> See <http://stockportlibdems.org.uk/2019/10/18/greater-manchester-spatial-framework-is-dead-in-the-water/>

<sup>6</sup> Mayor Burnham's response to a question by the HBF on this point made at the *Place North West* event in Salford on 30 October 2019.

be part of the development plan, it would at least provide up-to-date housing targets that local authorities like Wirral would have to comply with (as is the case in London). This might force the pace of local plan preparation. Second, it would make it clear that each local authority is required to accommodate its own need in full within its own area. Wirral, therefore, could not expect to export its housing need to another authority area. The members of the LSWE group may have a different view on this issue.

The other argument in support of the approach favoured by LCRCA is that it is supported by the local authorities themselves. The SDS would not attract the opposition that has stuck to the Greater Manchester plan with its proposed green belt releases. While it might be a less ambitious plan, it would potentially enjoy a swifter passage to adoption. This would help the authorities of the sub-region get used to the idea of cooperation through spatial planning.

The LCRCA plan now looks likely to be the first of the SDS to be adopted although progress could be delayed by the metro mayor elections in May and by the lack of resources available for planning within the LCRCA: there are just two members of staff and no budget. HBF is therefore currently in conversation with LCRCA about the possibility of supporting a request for financial support from MHCLG to enable the combined authority to commission research for the evidence base to progress the plan.

#### Next steps

LCRCA is currently consulting on the 'issues and options' for the SDS although the combined authority only needs to undertake one round of consultation. The consultation closes on 25 January. Subject to the outcome of the metro mayor election in May, the aim is to consult on the submission version of the SDS in the autumn 2020.

#### **Sheffield City Region**

Sheffield City Region Combined Authority and the four constituent councils agreed a Devolution Deal in January 2020. The Deal had originally been prepared in 2015 but had failed to progress owing to two local authorities out of the four (Rotherham and Barnsley) favouring the 'One Yorkshire' proposal. This was rejected by Government in 2018 which instead encouraged the south Yorkshire authorities to progress their deal. The Deal will now go to a public vote to endorse.

Among the powers conferred upon Sheffield City Region is the power to make Spatial Development Strategy. This is unlikely to be an easy process owing to the long-standing reluctance of Sheffield City to advance a local plan that makes new housing land allocations (its local plan is over 10 years old – adopted March 2009 although it contained no new housing land allocations. Allocations were last made by the UDP adopted in 1998). Nevertheless, HBF is working with the Combined Authority to help it advance its plans for economic growth through focusing upon improving the housing offer in Sheffield City Centre in order to help the city-region attract and retain professional workers.

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